

## **A - Government Operations**

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **Table of Contents**

## **A - Government Operations**

<b><u>Office of the Governor</u></b>	<b><u>A - 007</u></b>
<b><u>Office of State Budget Director</u></b>	<b><u>A - 011</u></b>
<b><u>State Planning Fund</u></b>	<b><u>A - 013</u></b>
<b><u>Department of Veterans' Affairs</u></b>	<b><u>A - 017</u></b>
<b><u>Governor's Office of Agricultural Policy</u></b>	<b><u>A - 023</u></b>
<b><u>Kentucky Infrastructure Authority</u></b>	<b><u>A - 029</u></b>
<b><u>Military Affairs</u></b>	<b><u>A - 039</u></b>
<b><u>Commission on Human Rights</u></b>	<b><u>A - 047</u></b>
<b><u>Commission on Women</u></b>	<b><u>A - 049</u></b>
<b><u>Local Government</u></b>	<b><u>A - 051</u></b>
<b><u>Special Funds</u></b>	<b><u>A - 063</u></b>
<b><u>Executive Branch Ethics Commission</u></b>	<b><u>A - 073</u></b>
<b><u>Secretary of State</u></b>	<b><u>A - 075</u></b>
<b><u>Board of Elections</u></b>	<b><u>A - 079</u></b>
<b><u>Registry of Election Finance</u></b>	<b><u>A - 083</u></b>
<b><u>Attorney General</u></b>	<b><u>A - 085</u></b>
<b><u>Commonwealth's Attorneys</u></b>	<b><u>A - 097</u></b>
<b><u>County Attorneys</u></b>	<b><u>A - 101</u></b>
<b><u>Treasury</u></b>	<b><u>A - 103</u></b>
<b><u>Agriculture</u></b>	<b><u>A - 117</u></b>
<b><u>Auditor of Public Accounts</u></b>	<b><u>A - 125</u></b>
<b><u>Personnel Board</u></b>	<b><u>A - 129</u></b>
<b><u>Kentucky Retirement Systems</u></b>	<b><u>A - 131</u></b>
<b><u>Boards and Commissions</u></b>	<b><u>A - 137</u></b>
<b><u>Emergency Medical Services</u></b>	<b><u>A - 145</u></b>
<b><u>Kentucky River Authority</u></b>	<b><u>A - 149</u></b>
<b><u>Appropriations Not Otherwise Classified</u></b>	<b><u>A - 155</u></b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

## A - Government Operations

## Operating Budget

## Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund (Tobacco)	39,195,900	39,195,900	39,195,900	29,899,300	31,439,300	29,899,300
General Fund	248,194,500	250,083,800	252,183,800	260,471,500	260,938,500	263,802,500
Restricted Funds	150,734,900	151,634,900	151,861,100	145,253,900	145,467,900	146,438,900
Federal Funds	253,466,900	253,466,900	253,466,900	214,842,700	214,842,700	214,842,700
Road Fund	600,000	600,000	600,000	600,000	600,000	600,000
<b>Regular Total Funds</b>	<b>692,192,200</b>	<b>694,981,500</b>	<b>697,307,700</b>	<b>651,067,400</b>	<b>653,288,400</b>	<b>655,583,400</b>
Continuing	26,683,400	26,683,400	26,683,400	5,252,400	5,252,400	5,252,400
<b>TOTAL FUNDS</b>	<b>718,875,600</b>	<b>721,664,900</b>	<b>723,991,100</b>	<b>656,319,800</b>	<b>658,540,800</b>	<b>660,835,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	217,147,800	216,647,800	217,024,000	233,663,600	233,073,600	233,588,600
Operating Expenses	96,282,600	99,153,900	99,253,900	97,824,300	98,724,300	98,834,300
Grants, Loans, Benefits	395,981,000	395,931,000	397,781,000	311,864,600	311,464,600	310,924,600
Debt Service		468,000	468,000	8,803,000	11,114,000	13,324,000
Capital Outlay	1,846,600	1,846,600	1,846,600	2,159,300	2,159,300	2,159,300
Construction	7,617,600	7,617,600	7,617,600	2,005,000	2,005,000	2,005,000
<b>TOTAL EXPENDITURES</b>	<b>718,875,600</b>	<b>721,664,900</b>	<b>723,991,100</b>	<b>656,319,800</b>	<b>658,540,800</b>	<b>660,835,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund (Tobacco)	39,195,900	39,195,900	39,195,900	29,899,300	31,439,300	29,899,300
General Fund	247,561,000	249,950,300	251,800,300	258,895,400	259,812,400	262,476,400
Restricted Funds	150,734,900	150,734,900	150,961,100	145,253,900	144,567,900	145,538,900
Federal Funds	253,466,900	253,466,900	253,466,900	214,842,700	214,842,700	214,842,700
Road Fund	600,000	600,000	600,000	600,000	600,000	600,000
<b>Regular Total Funds</b>	<b>691,558,700</b>	<b>693,948,000</b>	<b>696,024,200</b>	<b>649,491,300</b>	<b>651,262,300</b>	<b>653,357,300</b>
Continuing	26,683,400	26,683,400	26,683,400	5,252,400	5,252,400	5,252,400
<b>TOTAL BASE LEVEL</b>	<b>718,242,100</b>	<b>720,631,400</b>	<b>722,707,600</b>	<b>654,743,700</b>	<b>656,514,700</b>	<b>658,609,700</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund	633,500	133,500	383,500	1,576,100	1,126,100	1,326,100
Restricted Funds		900,000	900,000		900,000	900,000
<b>TOTAL ADDITIONAL</b>	<b>633,500</b>	<b>1,033,500</b>	<b>1,283,500</b>	<b>1,576,100</b>	<b>2,026,100</b>	<b>2,226,100</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

## A - Government Operations

## Capital Budget

## Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
General Fund		150,000	1,150,000	140,700	140,700	140,700
Restricted Funds	6,825,100	6,825,100	6,825,100	4,500,000	4,500,000	4,500,000
Federal Funds	30,303,000	30,303,000	30,303,000			
Bond Funds	157,100,000	216,350,000	249,100,000		5,000,000	5,000,000
Agency Bonds	12,020,000	12,020,000	12,020,000			
Capital Construction Sur	108,000	108,000	108,000	63,000	63,000	63,000
Investment Income	550,000	1,410,000	1,410,000	550,000	550,000	550,000
<b>TOTAL CAPITAL</b>	<b>206,906,100</b>	<b>267,166,100</b>	<b>300,916,100</b>	<b>5,253,700</b>	<b>10,253,700</b>	<b>10,253,700</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**



## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

## A - Government Operations

## Operating Budget

## Executive Office of the Governor Summary

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	8,618,800	8,718,800	8,718,800	12,114,500	12,214,500	12,214,500
Restricted Funds	3,250,100	3,250,100	3,250,100	625,200	625,200	625,200
Federal Funds	30,000,000	30,000,000	30,000,000	40,000,000	40,000,000	40,000,000
Road Fund	350,000	350,000	350,000	350,000	350,000	350,000
<b>Regular Total Funds</b>	<b>42,218,900</b>	<b>42,318,900</b>	<b>42,318,900</b>	<b>53,089,700</b>	<b>53,189,700</b>	<b>53,189,700</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>42,218,900</b>	<b>42,318,900</b>	<b>42,318,900</b>	<b>53,089,700</b>	<b>53,189,700</b>	<b>53,189,700</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	10,317,500	10,317,500	10,317,500	11,540,000	11,540,000	11,540,000
Operating Expenses	2,470,700	2,470,700	2,470,700	2,706,700	2,706,700	2,706,700
Grants, Loans, Benefits	29,350,700	29,450,700	29,450,700	38,843,000	38,943,000	38,943,000
Capital Outlay	80,000	80,000	80,000			
<b>TOTAL EXPENDITURES</b>	<b>42,218,900</b>	<b>42,318,900</b>	<b>42,318,900</b>	<b>53,089,700</b>	<b>53,189,700</b>	<b>53,189,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	8,618,800	8,718,800	8,718,800	12,114,500	12,214,500	12,214,500
Restricted Funds	3,250,100	3,250,100	3,250,100	625,200	625,200	625,200
Federal Funds	30,000,000	30,000,000	30,000,000	40,000,000	40,000,000	40,000,000
Road Fund	350,000	350,000	350,000	350,000	350,000	350,000
<b>Regular Total Funds</b>	<b>42,218,900</b>	<b>42,318,900</b>	<b>42,318,900</b>	<b>53,089,700</b>	<b>53,189,700</b>	<b>53,189,700</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>42,218,900</b>	<b>42,318,900</b>	<b>42,318,900</b>	<b>53,089,700</b>	<b>53,189,700</b>	<b>53,189,700</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Office of the Governor**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	6,308,300	6,308,300	6,308,300	7,765,700	7,765,700	7,765,700
Restricted Funds	1,408,100	1,408,100	1,408,100	388,200	388,200	388,200
Federal Funds	30,000,000	30,000,000	30,000,000	40,000,000	40,000,000	40,000,000
Road Fund	350,000	350,000	350,000	350,000	350,000	350,000
<b>Regular Total Funds</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>48,503,900</b>	<b>48,503,900</b>	<b>48,503,900</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>48,503,900</b>	<b>48,503,900</b>	<b>48,503,900</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	6,997,000	6,997,000	6,997,000	7,786,500	7,786,500	7,786,500
Operating Expenses	1,666,400	1,666,400	1,666,400	1,902,400	1,902,400	1,902,400
Grants, Loans, Benefits	29,323,000	29,323,000	29,323,000	38,815,000	38,815,000	38,815,000
Capital Outlay	80,000	80,000	80,000			
<b>TOTAL EXPENDITURES</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>48,503,900</b>	<b>48,503,900</b>	<b>48,503,900</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	6,308,300	6,308,300	6,308,300	7,765,700	7,765,700	7,765,700
Restricted Funds	1,408,100	1,408,100	1,408,100	388,200	388,200	388,200
Federal Funds	30,000,000	30,000,000	30,000,000	40,000,000	40,000,000	40,000,000
Road Fund	350,000	350,000	350,000	350,000	350,000	350,000
<b>Regular Total Funds</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>48,503,900</b>	<b>48,503,900</b>	<b>48,503,900</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>38,066,400</b>	<b>48,503,900</b>	<b>48,503,900</b>	<b>48,503,900</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Office of the Governor**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Old Governor's Mansion:** The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. No one shall reside in the Old Governor's Mansion, and it shall be used as a meetinghouse or museum only."

**"Housing Allowance for the Lieutenant Governor:** Included in the above General Fund appropriation for the Office of the Governor, Lieutenant Governor's Office, is a housing allowance of \$2,500 monthly, effective April 1, 2005."

**Office of Homeland Security-** The Governor's Office created the Office of Homeland Security to manage dollars anticipated to be received from the federal government for this national initiative.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House amends the State Executive Branch Budget Bill Part I, Operating Budget, language provisions as follows:

**"Old Governor's Mansion:** The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. No one shall reside in the Old Governor's Mansion, and it shall be used as a meetinghouse or museum only. The Secretary of the Finance and Administration Cabinet is directed to transfer the operation and use of the Old Governor's Mansion to the Kentucky Historical Society and transfer funding of \$100,000 in fiscal year 2004-2005 and \$100,000 in fiscal year 2005-2006. The Kentucky Historical Society shall direct the official use of the Old Governor's Mansion, which shall not be used as a residence of the Lieutenant Governor. The Kentucky Historical Society shall also provide appropriate recognition, associated with the Mansion, for Dr. Thomas D. Clark, Kentucky Historian Laureate for Life."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Office of the Governor**

**"Allowance for the Lieutenant Governor:** Included in the above General Fund appropriation for the Office of the Governor, Lieutenant Governor's Office, is an allowance of up to \$2,500 monthly, to include \$1,000 as a housing allowance and \$1,500 if additional duties are performed. The allowance shall be effective April 1, 2005."

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill Part I, Operating Budget, language provisions as follows:

**"Old Governor's Mansion:** The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor."

**"Housing Allowance for the Lieutenant Governor:** Included in the above General Fund appropriation for the Office of the Governor, Lieutenant Governor's Office, is a housing allowance of \$2,500 monthly, effective April 1, 2005."

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference amends the State Executive Branch Budget Bill Part I, Operating Budget, language provisions as follows:

**"Old Governor's Mansion:** The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. The Secretary of the Finance and Administration Cabinet is directed to transfer the operation and use of the Old Governor's Mansion to the Kentucky Historical Society and transfer funding of \$100,000 in fiscal year 2004-2005 and \$100,000 in fiscal year 2005-2006. The Kentucky Historical Society shall direct the official use of the Old Governor's Mansion, which shall not be used as a residence of the Lieutenant Governor."

**"Allowance for the Lieutenant Governor:** Included in the above General Fund appropriation for the Office of the Governor, Lieutenant Governor's Office, is an allowance of up to \$2,500 monthly, to include \$1,000 as a housing allowance and \$1,500 if additional duties are performed. The allowance shall be effective April 1, 2005."

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Office of State Budget Director**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	2,285,500	2,285,500	2,285,500	4,323,800	4,323,800	4,323,800
Restricted Funds	1,842,000	1,842,000	1,842,000	237,000	237,000	237,000
<b>Regular Total Funds</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,560,800</b>	<b>4,560,800</b>	<b>4,560,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,560,800</b>	<b>4,560,800</b>	<b>4,560,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	3,320,500	3,320,500	3,320,500	3,753,500	3,753,500	3,753,500
Operating Expenses	804,300	804,300	804,300	804,300	804,300	804,300
Grants, Loans, Benefits	2,700	2,700	2,700	3,000	3,000	3,000
<b>TOTAL EXPENDITURES</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,560,800</b>	<b>4,560,800</b>	<b>4,560,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	2,285,500	2,285,500	2,285,500	4,323,800	4,323,800	4,323,800
Restricted Funds	1,842,000	1,842,000	1,842,000	237,000	237,000	237,000
<b>Regular Total Funds</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,560,800</b>	<b>4,560,800</b>	<b>4,560,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,127,500</b>	<b>4,560,800</b>	<b>4,560,800</b>	<b>4,560,800</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Office of the State Budget Director**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Office of the State Budget Director, Agency Revenue Fund, in the amount of \$72,100 in fiscal year 2004-2005.

**HOUSE REPORT**

The House concurs with the Bill as Introduced.

**SENATE REPORT**

The Senate concurs with the House.

**CONFERNECE REPORT**

The Conference concurs with the House and Senate.



**A - Government Operations****Operating Budget****State Planning Fund**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	25,000	125,000	125,000	25,000	125,000	125,000
<b>Regular Total Funds</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>
<b>II. EXPENDITURE CATEGORY</b>						
Grants, Loans, Benefits	25,000	125,000	125,000	25,000	125,000	125,000
<b>TOTAL EXPENDITURES</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	25,000	125,000	125,000	25,000	125,000	125,000
<b>Regular Total Funds</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>	<b>25,000</b>	<b>125,000</b>	<b>125,000</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**State Planning Fund**

**BILL AS INTRODUCED**

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House reduces General Fund support totaling \$475,000 in fiscal year 2004-2005 and \$475,000 in fiscal year 2005-2006.

The House amends the State Executive Branch Budget Bill, Part I, Operating Budget, to add language provisions as follows:

**"State Planning Fund Repeal:** Notwithstanding KRS 48.310, the following KRS sections are repealed:

- 147.070 State planning functions of Governor's Cabinet.
- 147.075 State Planning Committee.
- 147.090 Preparation and coordination of major state improvement projects.
- 147.100 Miscellaneous projects.
- 147.110 Use of federal funds and state planning funds.
- 147.120 Records – Employees – Expenses."

**"Bluegrass State Games:** Included in the above General Fund appropriation is \$25,000 in fiscal year 2004-2005 and \$25,000 in fiscal year 2005-2006 to support the Bluegrass State Games."

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate provides General Fund support totaling \$125,000 in fiscal year 2004-2005 and \$125,000 in fiscal year 2005-2006.

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "State Planning Fund Repeal".

**Fiscal Biennium 2004-2006**  
**Budget Modification Report**

03/07/05 8:22 PM

**State Planning Fund**

**CONFERENCE REPORT**

The Conference concurs with the Senate.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Department of Veterans' Affairs**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	15,358,800	15,358,800	15,358,800	15,458,800	15,458,800	15,458,800
Restricted Funds	22,405,600	22,405,600	22,405,600	23,017,000	23,017,000	23,017,000
<b>Regular Total Funds</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>38,475,800</b>	<b>38,475,800</b>	<b>38,475,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>38,475,800</b>	<b>38,475,800</b>	<b>38,475,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	29,875,100	29,875,100	29,875,100	30,483,900	30,483,900	30,483,900
Operating Expenses	7,141,700	7,141,700	7,141,700	7,499,400	7,499,400	7,499,400
Grants, Loans, Benefits	117,500	117,500	117,500	117,500	117,500	117,500
Capital Outlay	80,100	80,100	80,100	375,000	375,000	375,000
Construction	550,000	550,000	550,000			
<b>TOTAL EXPENDITURES</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>38,475,800</b>	<b>38,475,800</b>	<b>38,475,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	15,358,800	15,358,800	15,358,800	15,458,800	15,458,800	15,458,800
Restricted Funds	22,405,600	22,405,600	22,405,600	23,017,000	23,017,000	23,017,000
<b>Regular Total Funds</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>38,475,800</b>	<b>38,475,800</b>	<b>38,475,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>37,764,400</b>	<b>38,475,800</b>	<b>38,475,800</b>	<b>38,475,800</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Veteran's Affairs**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Veterans' Affairs, Agency Revenue Fund of \$275,000 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive component of the Personnel Pilot Program for the 2004-2006 fiscal biennium."

**"Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, the unexpended balance of the General Fund appropriation provided to the Eastern Kentucky Veterans' Center, the Western Kentucky Veterans' Center, and the Thompson/Hood Veterans' Center in fiscal year 2004-2005 shall not lapse and shall be carried forward into fiscal year 2005-2006."

**"Congressional Medal of Honor Recipients - Travel and Per Diem:** The Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses incurred when Kentucky residents who have been awarded the Congressional Medal of Honor attend veterans, military, or memorial events in the Commonwealth of Kentucky."

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Veteran's Affairs**

In Part I, Operating Budget, the House adds General Fund totaling \$100,000 in fiscal year 2005-2006 and Restricted Funds totaling \$600,000 in fiscal year 2005-2006.

The House adds a Part I, Operating Budget, language provisions as follows:

**"Cemetery and Homeless Shelter:** Included in the above General Fund appropriation in fiscal year 2005-2006 is an additional \$50,000 for a Williamstown Cemetery position and an additional \$50,000 for the Homeless Veterans' Shelter in Lexington."

**"Veterans' Center:** Included in the above Restricted Funds appropriation is an additional \$600,000 in fiscal year 2005-2006 of which \$250,000 is for a four percent increase in operating funds for the Veterans' Centers and \$350,000 is for the purchase of land adjacent to the Thomson-Hood Veterans' Center."

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**THIS PAGE INTENTIONALLY LEFT BLANK**





**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Governor's Office of Agricultural Policy**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund (Tobacco)	39,195,900	39,195,900	39,195,900	26,081,300	26,081,300	24,541,300
General Fund				898,000	898,000	1,898,000
Restricted Funds	520,600	520,600	520,600	515,600	515,600	515,600
<b>Regular Total Funds</b>	<b>39,716,500</b>	<b>39,716,500</b>	<b>39,716,500</b>	<b>27,494,900</b>	<b>27,494,900</b>	<b>26,954,900</b>
Continuing	27,309,700	27,309,700	27,309,700	5,252,400	5,252,400	5,252,400
<b>TOTAL FUNDS</b>	<b>67,026,200</b>	<b>67,026,200</b>	<b>67,026,200</b>	<b>32,747,300</b>	<b>32,747,300</b>	<b>32,207,300</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	1,109,700	1,109,700	1,109,700	1,118,500	1,118,500	1,118,500
Operating Expenses	290,100	290,100	290,100	285,100	285,100	285,100
Grants, Loans, Benefits	65,626,400	65,626,400	65,626,400	30,445,700	30,445,700	29,905,700
Debt Service				898,000	898,000	898,000
<b>TOTAL EXPENDITURES</b>	<b>67,026,200</b>	<b>67,026,200</b>	<b>67,026,200</b>	<b>32,747,300</b>	<b>32,747,300</b>	<b>32,207,300</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund (Tobacco)	39,195,900	39,195,900	39,195,900	26,081,300	26,081,300	24,541,300
General Fund				898,000	898,000	1,898,000
Restricted Funds	520,600	520,600	520,600	515,600	515,600	515,600
<b>Regular Total Funds</b>	<b>39,716,500</b>	<b>39,716,500</b>	<b>39,716,500</b>	<b>27,494,900</b>	<b>27,494,900</b>	<b>26,954,900</b>
Continuing	27,309,700	27,309,700	27,309,700	5,252,400	5,252,400	5,252,400
<b>TOTAL BASE LEVEL</b>	<b>67,026,200</b>	<b>67,026,200</b>	<b>67,026,200</b>	<b>32,747,300</b>	<b>32,747,300</b>	<b>32,207,300</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Governor's Office of Agriculture Policy**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"County Extension Agents:** Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in fiscal year 2005-2006 for the University of Kentucky Cooperative Extension Service to support the cost of providing a bonus for county extension agents in addition to any salary adjustments which may be made."

**"Debt Service:** Included in the above General Fund appropriation is \$898,000 in fiscal year 2005-2006 for new bonds for agricultural loans as set forth in Part II, Capital Projects Budget, of this Act."

**"Kentucky Agricultural Finance Corporation:** Notwithstanding KRS 247.978(2), the total amount of principal which a qualified applicant may owe the Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000."

**"Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 annually may provide up to four percent of the individual county allocation, not to exceed \$15,000 annually, to the county council in that county for administrative costs."

**"Commercialization and Innovation Initiatives:** The Agricultural Development Board is encouraged to work with the Economic Development Cabinet to provide up to \$5,000,000 each fiscal year of the biennium to fund the Natural Products Investment Fund."

The Bill as Introduced provides General Fund - Phase I Tobacco Settlement Funds totaling \$39,195,900 in fiscal year 2004-2005 and \$39,099,300 in fiscal year 2005-2006 for agriculture-related grants authorized by the Kentucky Agricultural Development Board and administrative operations of the Governor's Office of Agricultural Policy.

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Governor's Office of Agriculture Policy**

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House reduces General Fund (Tobacco) appropriation, in fiscal year 2005-2006, by \$9,200,000, to provide debt service for \$87,000,000 in Bond Funds, for the Phase II Tobacco Settlement Payment project. This project is in the Part II, Capital Budget, of the Finance and Administration Cabinet, Office of the Controller.

The House deletes a Part I, Operating Budget language provision as follows:

**"County Extension Agents:** Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in fiscal year 2005-2006 for the University of Kentucky Cooperative Extension Service to support the cost of providing a bonus for county extension agents in addition to any salary adjustments which may be made."

The House deletes a Part I, Operating Budget language provision as follows:

**"Commercialization and Innovation Initiatives:** The Agricultural Development Board is encouraged to work with the Economic Development Cabinet to provide up to \$5,000,000 each fiscal year of the biennium to fund the Natural Products Investment Fund."

The House amends Part V, Funds Transfer, to include: a transfer of \$27,000,000 in fiscal year 2004-2005 from Tobacco Funds per KRS 248.703(2)(b)(2).

**SENATE REPORT**

The Senate Report concurs with the House with the following change:

The Senate amends Part V, Funds Transfer to include: a transfer of \$2,500,000 in fiscal year 2005-2006 from Tobacco Funds per KRS 248.703(2)(b)(2).

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Governor's Office of Agriculture Policy**

The Conference reduces General Fund (Tobacco) appropriation, in fiscal year 2005-2006, by \$9,200,000, to provide debt service for \$87,000,000 in Bond Funds, for the Phase II Tobacco Settlement Payment project. This project is in the Part II, Capital Budget, of the Finance and Administration Cabinet, Office of the Controller.

The Conference deletes Part I, Operating Budget language provisions as follows:

**"County Extension Agents:** Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in fiscal year 2005-2006 for the University of Kentucky Cooperative Extension Service to support the cost of providing a bonus for county extension agents in addition to any salary adjustments which may be made."

**"Commercialization and Innovation Initiatives:** The Agricultural Development Board is encouraged to work with the Economic Development Cabinet to provide up to \$5,000,000 each fiscal year of the biennium to fund the Natural Products Investment Fund."

The Conference amends Part V, Funds Transfer, to include: a transfer of \$27,000,000 in fiscal year 2004-2005 from Tobacco Funds per KRS 248.703(2)(b)(2).

The Conference amends Part V, Funds Transfer to delete: a transfer of \$2,500,000 in fiscal year 2005-2006 from Tobacco Funds per KRS 248.703(2)(b)(2), which provides an additional resource for grants from the Agricultural Development Board.

The Conference adds in the Part I, Operating Budget General Fund resources of \$1,000,000 in fiscal year 2005-2006 from unclaimed Tobacco Funds - Phase II supplement checks provided by the General Assembly in fiscal year 2000-2001.

The Conference provides in the Part I, Operating Budget General Fund (Tobacco) resources of \$9,000,000 in fiscal year 2005-2006 for the Environmental Stewardship Program (Soil and Water Cost Share) in the Environmental and Public Protection Cabinet, Department of Natural Resources.

The Conference provides in the Part I, Operating Budget General Fund (Tobacco) resources of \$5,358,000 in fiscal year 2005-2006 for Debt Service to support Bond Funds of \$126,000,000 in fiscal year 2005-2006 in the Kentucky Infrastructure Authority, Infrastructure for Economic Development for Tobacco Counties.

**A - Government Operations****Capital Budget****Governor's Office of Agricultural Policy**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
Bond Funds	17,000,000	17,000,000	17,000,000			
<b>TOTAL CAPITAL</b>	<b>17,000,000</b>	<b>17,000,000</b>	<b>17,000,000</b>			

**II. CAPITAL PROJECTS****1 Kentucky Agriculture Finance Corporation - Loan Pool**

PRJGOVF0001

Bond Funds	17,000,000	17,000,000	17,000,000			
<b>Project Total</b>	<b>17,000,000</b>	<b>17,000,000</b>	<b>17,000,000</b>			
<b>TOTAL CAPITAL</b>	<b>17,000,000</b>	<b>17,000,000</b>	<b>17,000,000</b>			

**THIS PAGE INTENTIONALLY LEFT BLANK**



## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

**A - Government Operations****Operating Budget****Kentucky Infrastructure Authority**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund (Tobacco)				3,818,000	5,358,000	5,358,000
General Fund				2,555,500	3,208,000	4,462,000
Restricted Funds	4,927,000	4,927,000	4,927,000	4,813,900	4,813,900	4,813,900
Federal Funds	50,322,000	50,322,000	50,322,000	50,339,000	50,339,000	50,339,000
<b>Regular Total Funds</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>61,526,400</b>	<b>63,718,900</b>	<b>64,972,900</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>61,526,400</b>	<b>63,718,900</b>	<b>64,972,900</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	2,684,400	2,684,400	2,684,400	2,688,900	2,688,900	2,688,900
Operating Expenses	301,000	301,000	301,000	301,200	301,200	301,200
Grants, Loans, Benefits	52,233,600	52,233,600	52,233,600	52,132,800	52,132,800	52,132,800
Debt Service				6,373,500	8,566,000	9,820,000
Capital Outlay	30,000	30,000	30,000	30,000	30,000	30,000
<b>TOTAL EXPENDITURES</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>61,526,400</b>	<b>63,718,900</b>	<b>64,972,900</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund (Tobacco)				3,818,000	5,358,000	5,358,000
General Fund				2,555,500	3,208,000	4,462,000
Restricted Funds	4,927,000	4,927,000	4,927,000	4,813,900	4,813,900	4,813,900
Federal Funds	50,322,000	50,322,000	50,322,000	50,339,000	50,339,000	50,339,000
<b>Regular Total Funds</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>61,526,400</b>	<b>63,718,900</b>	<b>64,972,900</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>55,249,000</b>	<b>61,526,400</b>	<b>63,718,900</b>	<b>64,972,900</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Federally Assisted Wastewater Revolving Loan Fund Program:** Included in the above General Fund appropriation is \$104,500 in fiscal year 2005-2006 for debt service to support \$2,200,000 in bonds to match \$11,000,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund Program (Fund A)."

**"Safe Drinking Water State Revolving Loan Fund Program:** Included in the above General Fund appropriation is \$123,000 in fiscal year 2005-2006 for debt service to support \$2,600,000 in bonds to match \$13,000,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund Program (Fund F). The Federal Funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act. The required state matching funds are appropriated as Bond Funds in Part II, Capital Projects Budget, of this Act."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

**"Funds Appropriations :** The Bond Funds appropriated in items 001. and 002. above are the required state match for the federal program. The Federal Funds associated with the program are appropriated in Part I, Operating Budget, of this Act to comply with the Federal Cash Management Act."

**"Expenditure of Loan Repayments Cash Balances:** The Kentucky Infrastructure Authority is authorized to expend the cash balances from loan repayments on deposit at the trustee bank for financial assistance, in the form of low-interest loans, to governmental agencies for professional planning and preliminary engineering design work required for eligible Fund A wastewater projects."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House amends the State Executive Branch Budget Bill, Part I, Operating Budget, by adding language provisions as follows:

**"Water and Sewer Resources Development Fund for Coal Counties:** Included in the above General Fund appropriation is \$2,328,000 in fiscal year 2005-2006 for debt service to support an additional \$50 million in state bonds for the Water and Sewer Resource Development Fund.

**Water and Sewer Resources Development Fund for Tobacco Counties:** Included in the above General Fund (Tobacco) appropriation is \$3,818,000 in fiscal year 2005-2006 for debt service for the Water and Sewer Resources Development Fund for Tobacco Counties in Part II, Capital Projects Budget. Future debt service payments for the Water and Sewer Resources Development Fund for Tobacco Counties shall be provided from the General Fund. It is the intent of the General Assembly that in fiscal year 2006-2007 and fiscal year 2007-2008, the debt service will be provided from the General Fund."

The line item projects funded from the Water and Sewer Resources Development Fund for Coal Counties Bond Funds and the Water and Sewer Resources Development Fund for Tobacco Counties Bond Funds, are displayed in a separate section of the Budget Memorandum Report.

The House amends Part II, Capital Budget, projects as follows:

The House Provides \$50,000,000 in Bond Funds for the Water and Sewer and Sewer Resource Development Fund for Coal-Producing Counties and \$82,000,000 in Bond Funds for the Water and Sewer Resource Development Fund for Tobacco Counties.

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by adding language provisions as follows:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

**"Funding Requirement:** Recipient of funds appropriated from the Infrastructure for Economic Development Fund for Coal-Producing Counties and from the Infrastructure for Economic Development Fund for Tobacco Counties shall certify to the Kentucky Infrastructure Authority that they have identified and applied for all available sources of funding for the line item project. The Kentucky Infrastructure Authority may reduce funds based upon the availability and receipt of any alternative funding source."

**"Infrastructure for Economic Development Fund for Coal-Producing Counties:** Included in the above General Fund appropriation is \$2,980,000 in fiscal year 2005-2006 for debt service to support an additional \$64,000,000 in state bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties. These funds are transferred from the Local Government Economic Development Fund, Multi-County Fund."

**"Infrastructure for Economic Development Fund for Tobacco Counties:** Included in the above General Fund (Tobacco) appropriation is \$5,358,000 in fiscal year 2005-2006 for debt service for the Infrastructure for Economic Development Fund for Tobacco Counties. Future debt service payments for the Infrastructure for Economic Development Fund for Tobacco Counties shall be provided from the General Fund. It is the intent of the General Assembly that in fiscal year 2006-2007 and fiscal year 2007-2008, the debt service will be provided from the General Fund."

**"Federally Assisted Wastewater Revolving Loan Fund Program:** Included in the above General Fund appropriation is \$105,000 in fiscal year 2005-2006 for debt service to support \$2,200,000 in bonds to match \$11,000,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund Program (Fund A)."

**"Administrative Fee on Infrastructure for Economic Development Fund Projects:** A one percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated."

The Senate amends the State Executive Branch Budget Bill, Part II, Capital Budget, by adding the following language:

**"Project Identification:** The authorized projects to be funded from the Infrastructure for Economic Development Fund for Coal-Producing Counties Bond Funds are identified in Volume Ia of the State/Executive Branch Budget Memorandum."

**"Project Identification:** The authorized projects to be funded from the Infrastructure Economic Development Fund for Tobacco

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

Counties Bond Funds are identified in Volume Ia of the State/Executive Budget Memorandum."

The Senate amends the State Executive Branch Budget Bill, Part II, Capital Budget, by adding the reauthorization and reallocation as follow:

\$175,000 Bond Funds, that were authorized in HB 269, by the 2003 General Assembly, from the Shelbyville Water and Sewer - Zaring Mill Road project to the Bullitt County Fiscal Court - Hillview Water and Sewer project.

\$130,000 Bond Fund that were authorized in HB 269, by the 2003 General Assembly, from the City of Brownsville - Sewer Line Extension project to the Brownsville Municipal Water.

\$228,000 Bond Funds that were authorized in HB 269, by the 2003 General Assembly, from the City of Brownsville - Sewer Line Extension project to the Brownsville Municipal Water.

\$600,000 Bond Funds that were authorized in HB 269, by the 2003 General Assembly, from the City of Olive Hill, City of Olive Hill Dam project to City of Olive Hill, Sewer Improvements or debt reduction.

\$400,000 Bond Funds that were authorized in HB 269, by the 2003 General Assembly, from the City of West Liberty, Water Tank project to City of West Liberty, Water Storage and WTP improvements.

\$500,000 Bond Funds that were authorized in HB 269, by the 2003 General Assembly, from the Winchester Municipal Utilities - KY 15 Elevated Press project to Winchester Municipal Utilities - Skylark/Chickadee/Redwing Sanitary Sewer Improvements.

The Senate amends Part II, Capital Budget, by providing \$64,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties and \$115,000,000 in Bond Funds for the Infrastructure for Economic Development fund for Tobacco Counties.

The Senate amended Part X, Phase I Tobacco Settlement , by providing \$5,358,000 in fiscal year 2005-2006 for the \$115,000,000 Bond Funds in the Infrastructure for Economic Development Fund for Tobacco Counties.

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

The Senate amended Part X, Phase I Tobacco Settlement language by including the following:

**"Infrastructure for Economic Development Fund for Tobacco Counties:** Included in the above General Fund (Tobacco) appropriation is \$5,358,000 in fiscal year 2005-2006 for debt service for the Infrastructure for Economic Development Fund for Tobacco Counties. It is the intent of the General Assembly that, in fiscal years 2006-2007 and 2007-2008, the debt service shall be provided from the General Fund."

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference amends the State Executive Branch Budget Bill, Part I, Operating Budget, General Fund appropriation by including additional funding for debt service on the Infrastructure for Economic Development Fund for Coal-Producing Counties and additional debt service for the Infrastructure for Economic Development Fund for Tobacco Counties.

The Conference amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provisions as follows:

**"Funding Requirement:** Recipients of funds appropriated from the Infrastructure for Economic Development Fund for Coal-Producing Counties and from the Infrastructure for Economic Development Fund for Tobacco Counties shall certify to the Kentucky Infrastructure Authority that they have identified and applied for all available sources of funding for the line item project."

**"Infrastructure for Economic Development Fund for Coal-Producing Counties:** Included in the above General Fund appropriation is \$3,725,000 in fiscal year 2005-2006 for debt service to support an additional \$80,000,000 in state bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties. These funds are transferred from the Local Government Economic Development Fund, Multi-County Fund."

**"Infrastructure for Economic Development Fund for Tobacco Counties:** Included in the above General Fund (Tobacco) appropriation is \$5,358,000 in fiscal year 2005-2006 and General Fund appropriation of \$509,000 for debt service to support \$126,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Tobacco Counties. Future debt service payments for the Infrastructure for Economic Development Fund for Tobacco Counties shall be provided from the General Fund. It is the intent of the General Assembly that in fiscal year 2006-2007 and fiscal year 2007-2008, the debt service will be provided from the General Fund."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

**"Administrative Fee on Infrastructure for Economic Development Fund Projects:** A one-half percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated."

The Conference amends Part II, Capital Budget, by providing \$80,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties and \$126,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Tobacco Counties.

The Conference amends the State Executive Branch Budget Bill, Part II, Capital Budget, by adding the following language:

**"Project Revision Authorization:** The recipient of Infrastructure for Economic Development Fund for Coal-Producing Counties project funds, identified in Volume Ia of the State/Executive Branch Budget Memorandum, may certify to the Commissioner for the Governor's Office for Local Development that a specified project is no longer an active project and may request reallocation of the project funds to another project. Notwithstanding any other statute to the contrary, upon authorization by the State Budget Director and notification to the Interim Joint Committee on Appropriations and Revenue, the Commissioner for the Governor's Office for Local Development may approve the reallocation of funds."

**"Project Revision Authorization:** The recipient of Infrastructure for Economic Development Fund for Tobacco Counties project funds, identified in Volume Ia of the State/Executive Branch Budget Memorandum, may certify to the Commissioner for the Governor's Office for Local Development that a specified project is no longer an active project and may request reallocation of the project funds to another project. Notwithstanding any other statute to the contrary, upon authorization by the State Budget Director and notification to the Interim Joint Committee on Appropriations and Revenue, the Commissioner for the Governor's Office for Local Development may approve the reallocation of funds."

The Conference amends the State Executive Branch Budget Bill, Part II, Capital Budget, by adding the reauthorization and reallocation as follow:

**Fiscal Biennium 2004-2006**  
**Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Infrastructure Authority**

\$674,090 Bond Funds, that were authorized in HB 269, by the 2003 General Assembly, from the Southern Water and Sewer District - Water Line Extension on Right Beaver Creek project to the Knott County Fiscal Court - Water and Sewer Hwy. 1679/550 project.



**A - Government Operations****Capital Budget****Kentucky Infrastructure Authority**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
Federal Funds	24,000,000	24,000,000	24,000,000			
Bond Funds	136,800,000	183,800,000	210,800,000			
<b>TOTAL CAPITAL</b>	<b>160,800,000</b>	<b>207,800,000</b>	<b>234,800,000</b>			
<b>II. CAPITAL PROJECTS</b>						
<b>1 Fund A- Federal Assisted Wastewater Prog</b>						
PRJ0820175						
Federal Funds	11,000,000	11,000,000	11,000,000			
Bond Funds	2,200,000	2,200,000	2,200,000			
<b>Project Total</b>	<b>13,200,000</b>	<b>13,200,000</b>	<b>13,200,000</b>			
<b>2 Fund F-Federally Assisted Drinking Water Revolving Loan Prog</b>						
PRJ0820176						
Federal Funds	13,000,000	13,000,000	13,000,000			
Bond Funds	2,600,000	2,600,000	2,600,000			
<b>Project Total</b>	<b>15,600,000</b>	<b>15,600,000</b>	<b>15,600,000</b>			
<b>4 Water and Sewer Development Fund for Coal Producing Counties</b>						
PRJ0820187						
Bond Funds	50,000,000					
<b>Project Total</b>	<b>50,000,000</b>					
<b>5 Water and Sewer Resource Development Fund for Tobacco Counties</b>						
PRJ0820188						
Bond Funds	82,000,000					
<b>Project Total</b>	<b>82,000,000</b>					
<b>6 Infrastructure for Economic Development Fund for Coal Producing Counties</b>						
PRJ0820189						
Bond Funds		64,000,000	80,000,000			
<b>Project Total</b>		<b>64,000,000</b>	<b>80,000,000</b>			
<b>7 Infrastructure for Economic Development Fund for Tobacco Counties</b>						
PRJ0820190						
Bond Funds		115,000,000	126,000,000			
<b>Project Total</b>		<b>115,000,000</b>	<b>126,000,000</b>			
<b>TOTAL CAPITAL</b>	<b>160,800,000</b>	<b>207,800,000</b>	<b>234,800,000</b>			

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Military Affairs**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	11,147,600	11,147,600	11,147,600	11,126,800	10,987,300	11,127,300
Restricted Funds	55,536,600	55,536,600	55,536,600	59,441,400	58,755,400	59,441,400
Federal Funds	101,327,000	101,327,000	101,327,000	61,870,500	61,870,500	61,870,500
<b>Regular Total Funds</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>132,438,700</b>	<b>131,613,200</b>	<b>132,439,200</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>132,438,700</b>	<b>131,613,200</b>	<b>132,439,200</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	29,570,100	29,570,100	29,570,100	31,244,400	31,104,400	31,244,400
Operating Expenses	54,008,600	54,008,600	54,008,600	57,320,300	57,320,300	57,320,300
Grants, Loans, Benefits	82,297,000	82,297,000	82,297,000	40,143,100	40,143,100	40,143,100
Debt Service				1,482,500	797,000	1,483,000
Capital Outlay	635,500	635,500	635,500	748,400	748,400	748,400
Construction	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>TOTAL EXPENDITURES</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>132,438,700</b>	<b>131,613,200</b>	<b>132,439,200</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	11,147,600	11,147,600	11,147,600	11,126,800	10,987,300	11,127,300
Restricted Funds	55,536,600	55,536,600	55,536,600	59,441,400	58,755,400	59,441,400
Federal Funds	101,327,000	101,327,000	101,327,000	61,870,500	61,870,500	61,870,500
<b>Regular Total Funds</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>132,438,700</b>	<b>131,613,200</b>	<b>132,439,200</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>168,011,200</b>	<b>132,438,700</b>	<b>131,613,200</b>	<b>132,439,200</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Military Affairs**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Federal Defense Contract:** Included in the above Restricted Funds appropriation is \$31,890,600 in fiscal year 2004-2005 and \$32,195,100 in fiscal year 2005-2006 for expanded federal defense contract activity at Bluegrass Station and the Central Clothing Distribution Facility."

**"Restricted Funds Debt Service:** Included in the above Restricted Funds appropriation is \$1,373,000 in fiscal year 2005-2006 for debt service to support new bonds for the Bluegrass Station project set forth in Part II, Capital Projects Budget, of this Act."

**"General Fund Debt Service:** Included in the above General Fund appropriation is \$109,500 in fiscal year 2005-2006 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

**"Base Realignment and Closure:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2004-2005 and \$300,000 in fiscal year 2005-2006 for Kentucky's efforts regarding the Base Realignment and Closure process."

**"Kentucky National Guard:** There is appropriated from the General Fund the necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

**"Disaster or Emergency Aid Funds :** There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Military Affairs**

declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

The Executive Budget, Part II, Capital Projects Budget, includes the following projects:

"Hanger, Warehouse/Office Buildings-Bluegrass Station, \$12,020,000 in Agency Bond Funds to provide for an expansion of the facilities for an existing defense contract that will result in the creation of more than 300 jobs."

"Various Facilities-Deferred Maintenance, \$2,300,000 in Bond Funds to reduce the existing maintenance backlog."

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

In Part II, Capital Budget, provides for the following project:

Construct 30 New T-Hangars-Capital City Airport, Investment Income of \$1,350,000 in fiscal year 2005 has been deleted.

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$1,350,000. The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

In Part II, Capital Budget, provides for the following project:

Maintenance Pool, Investment Income of \$860,000 in fiscal year 2005 and Investment Income of \$860,000 in fiscal year 2006 has been deleted.

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$1,720,000. The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Military Affairs**

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate modifies Part I, Operating Budget, language provisions as follows:

**"Restricted Funds Debt Service:** Included in the above Restricted Funds appropriation is \$687,000 in fiscal year 2005-2006 for debt service to support new bonds for the Bluegrass Station project set forth in Part II, Capital Projects Budget, of this Act."

**"General Fund Debt Service:** Included in the above General Fund appropriation is \$110,000 in fiscal year 2005-2006 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

**"Base Realignment and Closure:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2004-2005 and \$160,000 in fiscal year 2005-2006 for Kentucky's efforts regarding the Base Realignment and Closure process."

In Part II, Capital Budget, provides for the following projects:

Maintenance Pool, Investment Income of \$860,000 in fiscal year 2005 was added.

Aircraft Maintenance, General Fund of \$150,000 in fiscal year 2005 was added.

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference revises Part I, Operating Budget, language provisions as follows:

**"Restricted Funds Debt Service:** Included in the above Restricted Funds appropriation is \$1,373,000 in fiscal year 2005-2006 for debt service to support new bonds for the Bluegrass Station project set forth in Part II, Capital Projects Budget, of this Act."

**"General Fund Debt Service:** Included in the above General Fund appropriation is \$110,000 in fiscal year 2005-2006 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Military Affairs**

**"Base Realignment and Closure:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2004-2005 and \$300,000 in fiscal year 2005-2006 for Kentucky's efforts regarding the Base Realignment and Closure process."

The Conference adds Part II, Capital Budget, projects as follows:

Maintenance Pool, Investment Income of \$860,000 in fiscal year 2005 was added.

Aircraft Maintenance, General Fund of \$150,000 in fiscal year 2005 was added.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**A - Government Operations****Capital Budget****Military Affairs**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
General Fund		150,000	150,000			
Restricted Funds	3,000,000	3,000,000	3,000,000	2,500,000	2,500,000	2,500,000
Federal Funds	6,303,000	6,303,000	6,303,000			
Bond Funds	2,300,000	2,300,000	2,300,000			
Agency Bonds	12,020,000	12,020,000	12,020,000			
Capital Construction Sur	45,000	45,000	45,000			
Investment Income	450,000	1,310,000	1,310,000	450,000	450,000	450,000
<b>TOTAL CAPITAL</b>	<b>24,118,000</b>	<b>25,128,000</b>	<b>25,128,000</b>	<b>2,950,000</b>	<b>2,950,000</b>	<b>2,950,000</b>
<b>II. CAPITAL PROJECTS</b>						
<b>1</b>	<b>Upgrade Statewide Radio System</b>					
PRJ0950049						
Federal Funds	2,500,000	2,500,000	2,500,000			
<b>Project Total</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>			
<b>2</b>	<b>Runway/Taxiway/Apron Rehabilitation</b>					
PRJ0950054						
Federal Funds	1,901,000	1,901,000	1,901,000			
<b>Project Total</b>	<b>1,901,000</b>	<b>1,901,000</b>	<b>1,901,000</b>			
<b>3</b>	<b>Construct CCA Perimeter Security Fencing</b>					
PRJ0950056						
Federal Funds	402,000	402,000	402,000			
Capital Construction Sur	45,000	45,000	45,000			
<b>Project Total</b>	<b>447,000</b>	<b>447,000</b>	<b>447,000</b>			
<b>4</b>	<b>Construct Aircraft Modification Bldg. - Bluegrass Station</b>					
PRJ0950060						
Restricted Funds	500,000	500,000	500,000			
Federal Funds	1,500,000	1,500,000	1,500,000			
<b>Project Total</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>			
<b>5</b>	<b>Maintenance Pool</b>					
PRJ0950062						
Investment Income		860,000	860,000			
<b>Project Total</b>		<b>860,000</b>	<b>860,000</b>			

**A - Government Operations****Capital Budget****Military Affairs**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
<b>6</b>	<b>Maintenance Pool - Bluegrass Station</b>						
PRJ0950063							
	Restricted Funds	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
	<b>Project Total</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>
<b>7</b>	<b>Maintenance Pool - Air Transportation</b>						
PRJ0950064							
	Investment Income	450,000	450,000	450,000	450,000	450,000	450,000
	<b>Project Total</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>
<b>8</b>	<b>Hanger/Warehouse/Office Buildings-Bluegrass Station</b>						
PRJ0950068							
	Agency Bonds	12,020,000	12,020,000	12,020,000			
	<b>Project Total</b>	<b>12,020,000</b>	<b>12,020,000</b>	<b>12,020,000</b>			
<b>9</b>	<b>Various Facilities-Deferred Maintenance</b>						
PRJ0950069							
	Bond Funds	2,300,000	2,300,000	2,300,000			
	<b>Project Total</b>	<b>2,300,000</b>	<b>2,300,000</b>	<b>2,300,000</b>			
<b>10</b>	<b>Aircraft Maintenance</b>						
PRJ0950070							
	General Fund		150,000	150,000			
	<b>Project Total</b>		<b>150,000</b>	<b>150,000</b>			
<b>TOTAL CAPITAL</b>		<b>24,118,000</b>	<b>25,128,000</b>	<b>25,128,000</b>	<b>2,950,000</b>	<b>2,950,000</b>	<b>2,950,000</b>

**A - Government Operations****Operating Budget****Commission on Human Rights**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	1,904,300	1,904,300	1,904,300	1,904,300	1,904,300	1,904,300
Restricted Funds	5,500	5,500	5,500	10,500	10,500	10,500
Federal Funds	342,700	342,700	342,700	212,900	212,900	212,900
<b>Regular Total Funds</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,127,700</b>	<b>2,127,700</b>	<b>2,127,700</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,127,700</b>	<b>2,127,700</b>	<b>2,127,700</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	2,003,800	2,003,800	2,003,800	1,914,400	1,914,400	1,914,400
Operating Expenses	248,700	248,700	248,700	213,300	213,300	213,300
<b>TOTAL EXPENDITURES</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,127,700</b>	<b>2,127,700</b>	<b>2,127,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	1,904,300	1,904,300	1,904,300	1,904,300	1,904,300	1,904,300
Restricted Funds	5,500	5,500	5,500	10,500	10,500	10,500
Federal Funds	342,700	342,700	342,700	212,900	212,900	212,900
<b>Regular Total Funds</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,127,700</b>	<b>2,127,700</b>	<b>2,127,700</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,252,500</b>	<b>2,127,700</b>	<b>2,127,700</b>	<b>2,127,700</b>

**Fiscal Biennium 2004-2006**  
**Budget Modification Report**

03/07/05 8:22 PM

**Commission on Human Rights**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

**HOUSE REPORT**

The House concurs with the Bill as Introduced.

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**A - Government Operations****Operating Budget****Commission on Women**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	263,200	263,200	263,200	263,200	263,200	263,200
Restricted Funds	40,000	40,000	40,000	20,600	20,600	20,600
<b>Regular Total Funds</b>	<b>303,200</b>	<b>303,200</b>	<b>303,200</b>	<b>283,800</b>	<b>283,800</b>	<b>283,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>303,200</b>	<b>303,200</b>	<b>303,200</b>	<b>283,800</b>	<b>283,800</b>	<b>283,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	244,700	244,700	244,700	246,400	246,400	246,400
Operating Expenses	58,500	58,500	58,500	37,400	37,400	37,400
<b>TOTAL EXPENDITURES</b>	<b>303,200</b>	<b>303,200</b>	<b>303,200</b>	<b>283,800</b>	<b>283,800</b>	<b>283,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	263,200	263,200	263,200	263,200	263,200	263,200
Restricted Funds	40,000	40,000	40,000	20,600	20,600	20,600
<b>Regular Total Funds</b>	<b>303,200</b>	<b>303,200</b>	<b>303,200</b>	<b>283,800</b>	<b>283,800</b>	<b>283,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>303,200</b>	<b>303,200</b>	<b>303,200</b>	<b>283,800</b>	<b>283,800</b>	<b>283,800</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Commission on Women**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

**HOUSE REPORT**

The House concurs with the Bill as Introduced.

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**A - Government Operations****Operating Budget****Local Government**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	11,779,300	12,097,300	13,947,300	14,319,400	14,623,400	14,893,400
Restricted Funds	1,707,300	1,707,300	1,707,300	742,600	742,600	742,600
Federal Funds	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800
<b>Regular Total Funds</b>	<b>65,917,400</b>	<b>66,235,400</b>	<b>68,085,400</b>	<b>67,492,800</b>	<b>67,796,800</b>	<b>68,066,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>65,917,400</b>	<b>66,235,400</b>	<b>68,085,400</b>	<b>67,492,800</b>	<b>67,796,800</b>	<b>68,066,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	5,860,200	5,860,200	5,860,200	5,951,400	5,951,400	5,951,400
Operating Expenses	1,301,500	1,301,500	1,301,500	1,108,100	1,108,100	1,108,100
Grants, Loans, Benefits	58,695,700	58,545,700	60,395,700	60,384,300	59,884,300	59,884,300
Debt Service		468,000	468,000	49,000	853,000	1,123,000
Capital Outlay	60,000	60,000	60,000			
<b>TOTAL EXPENDITURES</b>	<b>65,917,400</b>	<b>66,235,400</b>	<b>68,085,400</b>	<b>67,492,800</b>	<b>67,796,800</b>	<b>68,066,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	11,779,300	12,097,300	13,947,300	14,319,400	14,623,400	14,893,400
Restricted Funds	1,707,300	1,707,300	1,707,300	742,600	742,600	742,600
Federal Funds	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800
<b>Regular Total Funds</b>	<b>65,917,400</b>	<b>66,235,400</b>	<b>68,085,400</b>	<b>67,492,800</b>	<b>67,796,800</b>	<b>68,066,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>65,917,400</b>	<b>66,235,400</b>	<b>68,085,400</b>	<b>67,492,800</b>	<b>67,796,800</b>	<b>68,066,800</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Governor's Office for Local Development, County Cemetery Fund, in the amount of \$35,100 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Flood Control Matching Fund Project Review:** The Governor's Office for Local Development shall transmit a copy of the application for a flood-related project to be funded from the flood control matching fund to the Environmental and Public Protection Cabinet with a request for a review of the project pursuant to KRS Chapter 151."

**"Cemetery Preservation:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

**Renaissance Kentucky-** The Bill as Introduced includes \$2 million from the General Fund in fiscal year 2005-2006 to support new Renaissance Kentucky grants.



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

**Local Initiatives for a New Kentucky (LINK)-** The Bill as Introduced recommends \$736,900 in each year of the biennium from the General Fund and \$276,300 in fiscal year 2004-2005 and \$224,300 in fiscal year 2005-2006 from Restricted Funds for the LINK program.

**Reorganization-** The Department for Local Government was abolished and replaced by the Governor's Office for Local Development (GOLD). The reorganization moved under GOLD's structure: the Kentucky Infrastructure Authority, East and West Kentucky Corporations, Renaissance Kentucky and the Single County Local Government Economic Development Initiative programs.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House provides General Fund support totaling \$2,000,000 in fiscal year 2005-2006 for new Renaissance Kentucky grants.

The House amends the State Executive Branch Budget Bill, Part I, Operating Budget, a language provision as follows:

**"Cemetery Preservation:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account. Included within the above Restricted Funds appropriation is \$50,000 in fiscal year 2004-2005 for the Fayette County African Cemetery #2 and included in the above Restricted Funds appropriation is \$50,000 in fiscal year 2004-2005 for the Fayette County Cove Haven Cemetery. Both the African Cemetery # 2 and the Cove Haven Cemetery are to match these funds with in-kind support. The in-kind match for both cemeteries shall be certified to the Governor's Office for Local Development.

The remaining funds shall be made available for grants for cemetery preservation initiatives, subject to a one-to-one dollar local cash match certified to the Governor's Office for Local Development. Grant applications may be made by an agency of the Commonwealth; a city, county, urban-county, charter county, or consolidated local government; a not-for-profit cemetery; a not-for-profit historical or genealogical organization; or a not-for-profit local community or civic group."

The House amends to the State Executive Branch Budget Bill, Part I, Operating Budget, the following language provisions as follows:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

**"Prior Grant Commitments:** The Governor's Office for Local Development shall honor all written commitments to grant recipients previously made, as long as funds are available."

**"Richmond Arts Center:** Included in the above General Fund appropriation is \$100,000 in fiscal year 2004-2005, and \$100,000 in fiscal year 2005-2006, for a grant to the Richmond Arts Center."

**"Hopkins County Exposition Center:** Included in the above General Fund appropriation is \$150,000 in fiscal year 2004-2005 for planning and design of an Exposition Center in Hopkins County. "

**"James E. Bruce Convention Center in Christian County:** Included in the above General Fund appropriation is \$49,000 debt service in fiscal year 2005-2006 for a \$1,000,000 Bond Fund project in Part II, Capital Budget for the James E. Bruce Convention Center."

**"Goodwill Industries:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2005-2006 for Goodwill Industries in Louisville."

The House amends Part II, Capital Budget, projects as follows:

The House provides \$1,000,000 in Bond Funds for the James E. Bruce Convention Center in Christian County.

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate amends General Fund Appropriation, in the State Executive Branch Budget Bill, Part I, Operating Budget, by removing funding for the Hopkins County Exposition Center of \$150,000 in fiscal year 2004-2005 and Goodwill Industries by \$500,000 in fiscal year 2005-2006 and adding, General Fund debt service, of \$468,000 in fiscal year 2004-2005, and \$468,000 in fiscal year 2005-2006, for the Community Economic Growth Grant Program, and General Fund debt service, of \$385,000 in fiscal year 2005-2006, for the Southeastern Agricultural and Exhibition Center in Corbin.

The Senate amends language, in the State Executive Branch Budget Bill, Part I, Operating Budget, provision as follows:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

**"Cemetery Preservation:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "Prior Grant Commitments", "James E. Bruce Convention Center in Christian County", "Richmond Arts Center", "Hopkins County Exposition Center" and "Goodwill Industries".

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

**"Community Economic Growth Grant Program:** Included in the above General Fund appropriation is \$468,000 in fiscal year 2004-2005 and \$468,000 in fiscal year 2005-2006 for debt service on \$5,000,000 Bond Funds in fiscal year 2004-2005 and \$5,000,000 in fiscal year 2005-2006 to support the Community Economic Growth Grant Program. This grant program is created to assist counties, cities, special districts, or local school districts with funding of projects that will enhance the economic development of their community.

The Community Economic Growth Grant Program shall be administered by the Governor's Office for Local Development and maintained in the State Treasury. The department may receive state appropriations, gifts, grants, and federal funds that shall be disbursed by the State Treasurer upon the warrant of the Commissioner of the Governor's Office for Local Development. Notwithstanding KRS 45.229, any funds remaining at the end of a fiscal year shall not lapse and shall be available for expenditure in the subsequent fiscal year.

Moneys in the fund shall be used for capital projects that contribute to community or industrial development in the Commonwealth. Capital projects eligible for financing out of the fund may include but not be limited to:

- (a) The construction, reconstruction, renovation, and maintenance of buildings and other improvements to real estate and the architectural, engineering, legal, and other expenses required;
- (b) The acquisition of real property and interests in real property;
- (c) The purchase of major equipment;
- (d) Industrial site development projects, including land reclamation, clearing, grading, draining, landscaping, and construction of walkways and fences;
- (e) The extension, installation, and upgrading of water, gas, sewer, and electrical utilities to public facilities and industrial sites;

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

- (f) Retirement of a mortgage or other indebtedness on a capital project made within the preceding five calendar years; and
- (g) To match or use in combination with funds obtained from other sources for an eligible capital improvement project.
- Any county, city, special district, or local school district governing body shall submit proposals through its Area Development District for consideration by the Commissioner of the Governor's Office for Local Development. The Area Development District shall provide a recommendation on each proposal and forward the proposal to the Commissioner of the Department for Local Government for final consideration and action.
- Project proposals shall include: a detailed description of the project; a statement of the public benefit derived from the project; design plans and specifications, if applicable; an itemized estimate of the cost of the project; source of other funds or in-kind match; and other information that the Governor's Office for Local Development may require.
- Annually, by October 1 each year, the Commissioner of the Governor's Office for Local Development shall report on this program to the Interim Joint Committee on Appropriations and Revenue."

**"Funding Requirement:** The recipient of the Coal Severance Tax Projects funds shall certify to the Governor's Office for Local Development that they have identified and applied for all available sources of funding for the line item project. The Commissioner of the Governor's Office for Local Development may reduce funds based upon the availability and receipt of any alternative funding source."

**"Southeastern Regional Agricultural and Exhibition Center in Corbin:** Included in the General Fund appropriation is \$385,000 for debt service in fiscal year 2005-2006 for \$8,250,000 in Bond Funds for the Southeastern Regional Agricultural and Exhibition Center in Corbin."

The Senate amends Part II, Capital Budget by adding \$5,000,000 in Bond Funds in each fiscal year for the Community Economic Growth Grant Program, by adding \$8,250,000 in Bond Fund in fiscal year 2004-2005 for the Southeastern Regional Agricultural and Exhibition Center in Corbin and by not providing funding for the James E. Bruce Convention Center in Christian County.

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference amends the State Executive Branch Budget Bill, Part I, Operating Budget, General Fund appropriation by including funding for additional debt service in fiscal year 2005-2006 for the Southeastern Regional Agricultural and Exposition Center in

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

Corbin, funding in 2004-2005 for the Hopkins County Exposition Center, debt service in fiscal year 2005-2006 for the Knox Partners Community Education Center, funding in fiscal year 2004-2005 for the Union County Library Expansion, funding in fiscal year 2004-2005 for the Uniontown Emergency Levee Repair, funding in fiscal year 2004-2005 for the Union County Fairgrounds/Arnold Arena, and funding in fiscal year 2004-2005 for the Union County Jail.

The Conference amends language, in the State Executive Branch Budget Bill, Part I, Operating Budget, provision as follows:

**" Richmond Arts Center:** Included in the above General Fund appropriation is \$100,000 in fiscal year 2004-2005, and \$100,000 in fiscal year 2005-2006, for a grant to the Richmond Arts Center."

**"Hopkins County Exposition Center:** Included in the above General Fund appropriation is \$150,000 in fiscal year 2004-2005 for planning and design of an Exposition Center in Hopkins County."

**"Funding Requirement:** The recipient of the Coal Severance Tax Projects funds shall certify to the Governor's Office for Local Development that they have identified and applied for all available sources of funding for the line item project."

**"Knox Partners Community Education Center:** Included in the above General Fund appropriation is \$96,000 in fiscal year 2005-2006 to support the debt service for \$2,000,000 in Bond Funds for the Knox Partners Community Education Center."

**"Union County Library Expansion:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2004-2005 for expansion of the Union County Library."

**"Uniontown Emergency Levee Repair:** Included in the above General Fund appropriation is \$100,000 in fiscal year 2004-2005 for emergency repair of the Uniontown Levee."

**"Union County Fairgrounds/Arnold Arena :** Included in the above General Fund appropriation is \$450,000 in fiscal year 2004-2005 for building a staging area for the Union County Fairgrounds and Exposition Center/Arnold Arena."

**"Union County Jail:** Included in the above General Fund appropriation is \$650,000 in fiscal year 2004-2005 for property purchase and design of a new jail in Union County."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

**"Cemetery Preservation:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account. The funds shall be made available for grants for cemetery preservation initiatives, including, but not limited to, the Fayette County African Cemetery #2 and the Fayette County Cove Haven Cemetery. Grants are subject to a one-to-one dollar local cash match that is certified to the Governor's Office for Local Development, or an in-kind match authorized and certified by the Governor's Office for Local Development. Grant applications may be made by an agency of the Commonwealth; a city, county, urban-county, charter county, or consolidated local government; a not-for-profit cemetery; a not-for-profit historical or genealogical organization; or a not-for-profit local community or civic group."

**"Community Economic Growth Grant Program:** Included in the above General Fund appropriation is \$468,000 in fiscal year 2004-2005 and \$468,000 in fiscal year 2005-2006 for debt service on \$5,000,000 Bond Funds in fiscal year 2004-2005 and \$5,000,000 in fiscal year 2005-2006 to support the Community Economic Growth Grant Program. This grant program is created to assist counties, cities, special districts, or local school districts with funding of projects that will enhance the economic development of their community.

The Community Economic Growth Grant Program shall be administered by the Governor's Office for Local Development and maintained in the State Treasury. The department may receive state appropriations, gifts, grants, and federal funds that shall be disbursed by the State Treasurer upon the warrant of the Commissioner of the Governor's Office for Local Development. Notwithstanding KRS 45.229, any funds remaining at the end of a fiscal year shall not lapse and shall be available for expenditure in the subsequent fiscal year.

Moneys in the fund shall be used for capital projects that contribute to community or industrial development in the Commonwealth. Capital projects eligible for financing out of the fund may include but not be limited to:

- (a) The construction, reconstruction, renovation, and maintenance of buildings and other improvements to real estate and the architectural, engineering, legal, and other expenses required;
- (b) The acquisition of real property and interests in real property;
- (c) The purchase of major equipment;
- (d) Industrial site development projects, including land reclamation, clearing, grading, draining, landscaping, and construction of walkways and fences;
- (e) The extension, installation, and upgrading of water, gas, sewer, and electrical utilities to public facilities and industrial sites;
- (f) To match or use in combination with funds obtained from other sources for an eligible capital improvement project.

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government**

Any county, city, special district, or local school district governing body shall submit proposals through its Area Development District for consideration by the Commissioner of the Governor's Office for Local Development. The Area Development District shall provide a recommendation on each proposal and forward the proposal to the Commissioner of the Department for Local Government for final consideration and action.

Project proposals shall include: a detailed description of the project; a statement of the public benefit derived from the project; design plans and specifications, if applicable; an itemized estimate of the cost of the project; source of other funds or in-kind match; and other information that the Governor's Office for Local Development may require.

Annually, by October 1 each year, the Commissioner of the Governor's Office for Local Development shall report on this program to the Interim Joint Committee on Appropriations and Revenue."

**"Southeastern Regional Agricultural and Exhibition Center in Corbin:** Included in the General Fund appropriation is \$559,000 for debt service in fiscal year 2005-2006 for \$12,000,000 in Bond Funds for the Southeastern Regional Agricultural and Exhibition Center in Corbin."

The Conference amends Part II, Capital Budget by adding \$1,000,000 in General Fund appropriation in fiscal year 2004-2005 for the James E. Bruce Convention Center in Hopkinsville, \$2,000,000 in Bond Funds appropriation in fiscal year 2004-2005 for the Knox Partners Community Education Center and \$12,000,000 in Bond Funds appropriation for the Southeastern Regional Agricultural Exposition Center in Corbin.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**A - Government Operations****Capital Budget****Local Government**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
General Fund			1,000,000			
Restricted Funds	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Bond Funds	1,000,000	13,250,000	19,000,000		5,000,000	5,000,000
<b>TOTAL CAPITAL</b>	<b>2,500,000</b>	<b>14,750,000</b>	<b>21,500,000</b>	<b>1,500,000</b>	<b>6,500,000</b>	<b>6,500,000</b>
<b>II. CAPITAL PROJECTS</b>						
<b>1 Flood Control Matching Program</b>						
PRJ112A0001						
Restricted Funds	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Project Total</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>2 James E. Bruce Convention Center in Christian County</b>						
PRJ112A0004						
General Fund			1,000,000			
Bond Funds	1,000,000					
<b>Project Total</b>	<b>1,000,000</b>		<b>1,000,000</b>			
<b>3 Community Economic Growth Program</b>						
PRJ112A0005						
Bond Funds		5,000,000	5,000,000		5,000,000	5,000,000
<b>Project Total</b>		<b>5,000,000</b>	<b>5,000,000</b>		<b>5,000,000</b>	<b>5,000,000</b>
<b>4 Southeastern Regional Agricultural and Exhibition Center in</b>						
PRJ112A0006						
Bond Funds		8,250,000	12,000,000			
<b>Project Total</b>		<b>8,250,000</b>	<b>12,000,000</b>			
<b>5 Knox Partners Community Education Center</b>						
PRJ112A0007						
Bond Funds			2,000,000			
<b>Project Total</b>			<b>2,000,000</b>			
<b>TOTAL CAPITAL</b>	<b>2,500,000</b>	<b>14,750,000</b>	<b>21,500,000</b>	<b>1,500,000</b>	<b>6,500,000</b>	<b>6,500,000</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Special Funds**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	81,639,200	81,639,200	81,639,200	75,297,400	75,297,400	75,297,400
<b>Regular Total Funds</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>75,297,400</b>	<b>75,297,400</b>	<b>75,297,400</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>75,297,400</b>	<b>75,297,400</b>	<b>75,297,400</b>
<b>II. EXPENDITURE CATEGORY</b>						
Grants, Loans, Benefits	81,639,200	81,639,200	81,639,200	75,297,400	75,297,400	75,297,400
<b>TOTAL EXPENDITURES</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>75,297,400</b>	<b>75,297,400</b>	<b>75,297,400</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	81,639,200	81,639,200	81,639,200	75,297,400	75,297,400	75,297,400
<b>Regular Total Funds</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>75,297,400</b>	<b>75,297,400</b>	<b>75,297,400</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>75,297,400</b>	<b>75,297,400</b>	<b>75,297,400</b>
<b>VI. EXPENDITURES BY UNIT</b>						
<b>Local Government Economic Assistance Fund</b>						
General Fund	42,781,100	42,781,100	42,781,100	41,977,900	41,977,900	41,977,900
<b>Local Government Economic Development Fund</b>						
General Fund	38,048,400	38,048,400	38,048,400	32,509,800	32,509,800	32,509,800
<b>Area Development Fund</b>						
General Fund	809,700	809,700	809,700	809,700	809,700	809,700
<b>TOTAL</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>81,639,200</b>	<b>75,297,400</b>	<b>75,297,400</b>	<b>75,297,400</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

**BILL AS INTRODUCED**

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Local Government Economic Development Fund in the amount of \$16,377,100 in fiscal year 2004-2005 and \$8,542,900 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Coal Severance Tax Collections Calculations and Transfers :** The above appropriations from the General Fund are based on the official estimate presented by the Office of State Budget Director for coal severance tax collections during the biennium, distributed in accordance with KRS 42.450 to 42.495."

**"Trover Clinic Grant :** Notwithstanding KRS 42.4585, the quarterly calculation and transfer of the funds shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 has been credited to the Trover Clinic Grant within the Governor's Office for Local Government."

**"Community Development Office:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$138,800 in fiscal year 2004-2005 and \$271,200 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Community Development Office in the Governor's Office for Local Development."

**"Department for Regional Development :** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

installment of the annual appropriation of \$251,900 in fiscal year 2004-2005 and \$256,200 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Department for Regional Development within the Cabinet for Economic Development."

**"Governor's Office for Local Development:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$503,500 in fiscal year 2004-2005 and \$512,300 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Governor's Office for Local Development."

**"Tourism Marketing Program:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Tourism Marketing Program in the Commerce Cabinet."

**"Read to Achieve:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Read to Achieve Program in the Department for Education."

**"School Learning Performance Fund:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$8,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Department of Education."

**"Drug Courts:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Drug Courts Program in the Office of Drug Control Policy, Justice Administration budget unit.

Notwithstanding KRS 42.4588, \$1,000,000 in fiscal year 2005-2006 shall be transferred from the Local Government Economic Development Fund Multi-County Fund to the Office of Drug Control Policy, Justice Administration budget unit."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

**"Kentucky Wood Products Competitiveness Corporation:** Notwithstanding KRS 42.4586, no funds shall be transferred to the Secondary Wood Products Development Fund."

**"Kentucky Workers' Compensation Funding Commission:** Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2004-2005 and fiscal year 2005-2006."

**"High-Tech Construction and High-Tech Investment Pools:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,625,000 in fiscal year 2004-2005 and \$3,500,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Office for the New Economy. These funds shall be allocated to the high-tech construction and high-tech investment pools created under KRS 154.12-278. Notwithstanding KRS 42.4588(4) and (5), these funds shall be used for projects and programs recommended by the Department of Innovation and Commercialization for a Knowledge-Based Economy in the Economic Development Cabinet. The projects identified are limited to research and development, commercialization, education innovation, or work-related initiatives consistent with the character of the high-tech construction and high-tech investment pools administered by the Department of Innovation and Commercialization for a Knowledge-Based Economy. Investment and construction pool projects shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties."

**"School Facilities Construction Commission:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund in fiscal year 2004-2005 shall be made only after funds totaling \$3,235,500, and in fiscal year 2005-2006 shall be made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the School Facilities Construction Commission to provide debt service to support previously authorized bonds."

**"Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,095,100 in fiscal year 2004-2005 and \$4,091,900 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit to provide General Fund debt service to support previously authorized bonds for the Water and Sewer Resources Development Fund for Coal-Producing Counties."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

**"Debt Service:** All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there are sufficient moneys available to be transferred from coal severance tax-supported funding program accounts to other accounts of the General Fund."

**"Flood Matching Program:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,500,000 in fiscal year 2004-2005 and fiscal year 2005-2006 is appropriated as General Fund moneys to the Governor's Office for Local Development."

**"Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations to each coal-producing county may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

**"Appropriation Limit:** Notwithstanding KRS 48.185, funds appropriated from the General Fund for the Area Development Fund shall be limited to these amounts."

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House increases the General Fund support totaling \$8,000,000 in fiscal year 2005-2006 by not including the School Learning Performance Fund.

The House amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provisions as follows:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

**"Tourism Marketing Program:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Tourism Marketing Program in the Commerce Cabinet.

Fees for professional artists and entertainers performing on the Kentucky Music Trail shall be paid for from the Tourism Marketing Program along with other activities, marketing, and promotions in the Commerce Cabinet aimed at promoting tourism in coal-producing counties."

**"School Facilities Construction Commission:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund in fiscal year 2004-2005 shall be made only after funds totaling \$3,232,500, and in fiscal year 2005-2006 shall be made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the School Facilities Construction Commission to provide debt service to support previously authorized bonds."

The House adds to the State Executive Branch Budget Bill, Part I, Operating Budget, language as follows:

**"Osteopathic Scholarship Program:** Notwithstanding KRS 42.4582, the quarterly calculation and transfer of moneys from the General Fund to the Local Government Economic Development Fund pursuant to KRS 42.4582 shall be made only after each quarterly installment of the annual appropriation of \$1,255,300 in fiscal year 2004-2005 and \$1,318,500 in fiscal year 2005-2006 has been credited to the Osteopathic Scholarship Program within the Kentucky Higher Education Assistance Authority."

The House does not provide for the Part V, Fund Transfers of \$16,377,100, in fiscal year 2004-2005 and \$8,542,900 in fiscal year 2005-2006.

The House amends the State Executive Branch Budget Bill, Part I, Operating Budget, to remove the language that relates to "Parameters for County Flexibility."

**SENATE REPORT**

The Senate concurs with the House with the following changes:



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provisions as follows:

**"Tourism Marketing Program:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Tourism Marketing Program in the Commerce Cabinet."

**"Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations to each coal-producing county may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

**"Surface Mining Bond Pool Fund:** Notwithstanding KRS 42.4588, \$3,840,000 in fiscal year 2004-2005 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Department of Surface Mining Reclamation and Enforcement, Environmental and Public Protection Cabinet, Surface Mining Bond Pool Fund, to assure compliance with federal requirements."

**"KIA Infrastructure for Economic Development Fund for Coal-Producing Counties:** Notwithstanding KRS 42.4588, funds totaling \$2,980,000 in fiscal year 2005-2006 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Infrastructure Authority, for debt service on the Infrastructure for Economic Development Fund for Coal-Producing-Counties, Bond Pool."

**"Operation Unite:** Notwithstanding KRS 42.4588, funds totaling \$1,500,000 in fiscal year 2005-2006 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy for Operation Unite in relation to the federal Task Force on Drug Abuse."

**"Project Identification:** Notwithstanding KRS 42.4588(2) and (4), projects authorized and appropriated from the Local Government Economic Development Fund moneys from the respective single county fund pursuant to KRS 42.4592 are identified in Volume Ia of the State/Executive Branch Budget Memorandum."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

The Senate amends Part V, Fund Transfers, to include: \$2,980,000 in fiscal year 2004-2005, from the Local Government Economic Development Fund, Multi-County Account.

**CONFERENCE REPORT**

The Conference concurs with the Senate with the following changes:

The Conference amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provisions as follows:

**"Tourism Marketing Program:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Tourism Marketing Program in the Commerce Cabinet. Fees for professional artists and entertainers performing on the Kentucky Music Trail may be paid for from the Tourism Marketing Program along with other activities, marketing, and promotions in the Commerce Cabinet aimed at promoting tourism in coal-producing counties."

**Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations to each coal-producing county, above the amounts specified through line item appropriations by the General Assembly, may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

**"Parameters for Flexibility of Local Government Economic Development Fund, Multi-County Fund:** Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund, Multi-County Fund allocations may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development."

**"KIA Infrastructure for Economic Development Fund for Coal-Producing Counties:** Notwithstanding KRS 42.4588, \$3,725,000 in fiscal year 2004-2005 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund to the General Fund to be used by the Kentucky Infrastructure Authority to provide debt service to support Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties, Bond Pool.

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Local Government - Special Funds**

The Conference amends Part V, Fund Transfers, to include: \$3,725,000 in fiscal year 2004-2005, from the Local Government Economic Development Fund, Multi-County Account.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Operating Budget

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	351,500	351,500	351,500	351,500	351,500	351,500
Restricted Funds	2,400	2,400	2,400	2,400	2,400	2,400
Regular Total Funds	353,900	353,900	353,900	353,900	353,900	353,900
Continuing						
TOTAL FUNDS	353,900	353,900	353,900	353,900	353,900	353,900
II. EXPENDITURE CATEGORY						
Personnel Costs	345,700	345,700	345,700	353,400	353,400	353,400
Operating Expenses	8,200	8,200	8,200	500	500	500
TOTAL EXPENDITURES	353,900	353,900	353,900	353,900	353,900	353,900
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	351,500	351,500	351,500	351,500	351,500	351,500
Restricted Funds	2,400	2,400	2,400	2,400	2,400	2,400
Regular Total Funds	353,900	353,900	353,900	353,900	353,900	353,900
Continuing						
TOTAL BASE LEVEL	353,900	353,900	353,900	353,900	353,900	353,900

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Executive Branch Ethics Commission**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following change:

The House adds a Part I, Operating Budget, language provision as follows:

**"Public Service Commission:** The Public Service Commission shall be considered an executive agency, as defined in KRS 11A.201(6), and an order issued by the Public Service Commission regarding the rates or service of a utility, as defined in KRS 278.010(3), shall be considered an executive agency decision, as defined in KRS 11A201(7)."

**SENATE REPORT**

The Senate concurs with the House with the following change:

The Senate deletes a Part I, Operating Budget, language provision as follows:

**"Public Service Commission:** The Public Service Commission shall be considered an executive agency, as defined in KRS 11A.201(6), and an order issued by the Public Service Commission regarding the rates or service of a utility, as defined in KRS 278.010(3), shall be considered an executive agency decision, as defined in KRS 11A.201(7)."

**CONFERENCE REPORT**

The Conference concurs with the Senate.

**A - Government Operations****Operating Budget****Secretary of State**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	2,224,000	2,224,000	2,224,000	2,224,000	2,274,000	2,224,000
Restricted Funds	802,900	802,900	802,900	802,900	802,900	802,900
<b>Regular Total Funds</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,076,900</b>	<b>3,026,900</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,076,900</b>	<b>3,026,900</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	2,367,900	2,367,900	2,367,900	2,412,600	2,462,600	2,412,600
Operating Expenses	659,000	659,000	659,000	614,300	614,300	614,300
<b>TOTAL EXPENDITURES</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,076,900</b>	<b>3,026,900</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	2,224,000	2,224,000	2,224,000	2,224,000	2,224,000	2,224,000
Restricted Funds	802,900	802,900	802,900	802,900	802,900	802,900
<b>Regular Total Funds</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>	<b>3,026,900</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund					50,000	
<b>TOTAL ADDITIONAL</b>					<b>50,000</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>						
<b>1 NEW Civic Literacy</b>						
ABR1200001 Provide additional funds for a civic literacy program.						
General Fund					50,000	
<b>Project Total</b>					<b>50,000</b>	
<b>TOTAL ADDITIONAL</b>					<b>50,000</b>	

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Secretary of State**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Limited Liability Companies (KRS 14.140) of \$2,020,600 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Carry Forward of Restricted Funds Appropriation Balance:** Notwithstanding KRS 14.140, the above Restricted Funds appropriations shall not lapse and shall be used for the continuation of current activities within the General Administration unit and for the operations and staff of the Uniform Commercial Code Branch."

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House amends the Part V, Funds Transfer, Limited Liability Companies (KRS 14.140) to delete \$2,020,600 in fiscal year 2004-2005 and to add \$2,384,800 in fiscal year 2004-2005.

**SENATE REPORT**

The Senate concurs with the House with the following changes:



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Secretary of State**

The Senate amends the Part V, Funds Transfer, Limited Liability Companies (KRS 14.140) to delete \$2,384,800 in fiscal year 2004-2005 and to add \$2,202,800 in fiscal year 2004-2005.

The Senate adds in the Part I, Operating Budget General Fund resources of \$50,000 in fiscal year 2005-2006 for a civic literacy program.

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference provides a Part V, Funds Transfer, Limited Liability Companies (KRS 14.140) of \$2,202,800 in fiscal year 2004-2005.

The Conference deletes in the Part I, Operating Budget General Fund resources of \$50,000 in fiscal year 2005-2006 for a civic literacy program.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Board of Elections**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	6,091,000	6,091,000	6,091,000	3,046,400	3,046,400	3,046,400
Restricted Funds	101,200	101,200	101,200	57,100	57,100	57,100
Federal Funds	9,000,000	9,000,000	9,000,000	1,000,000	1,000,000	1,000,000
<b>Regular Total Funds</b>	<b>15,192,200</b>	<b>15,192,200</b>	<b>15,192,200</b>	<b>4,103,500</b>	<b>4,103,500</b>	<b>4,103,500</b>
Continuing	(626,300)	(626,300)	(626,300)			
<b>TOTAL FUNDS</b>	<b>14,565,900</b>	<b>14,565,900</b>	<b>14,565,900</b>	<b>4,103,500</b>	<b>4,103,500</b>	<b>4,103,500</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	1,065,500	1,065,500	1,065,500	1,089,100	1,089,100	1,089,100
Operating Expenses	698,900	698,900	698,900	588,400	588,400	588,400
Grants, Loans, Benefits	12,801,500	12,801,500	12,801,500	2,426,000	2,426,000	2,426,000
<b>TOTAL EXPENDITURES</b>	<b>14,565,900</b>	<b>14,565,900</b>	<b>14,565,900</b>	<b>4,103,500</b>	<b>4,103,500</b>	<b>4,103,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	6,091,000	6,091,000	6,091,000	3,046,400	3,046,400	3,046,400
Restricted Funds	101,200	101,200	101,200	57,100	57,100	57,100
Federal Funds	9,000,000	9,000,000	9,000,000	1,000,000	1,000,000	1,000,000
<b>Regular Total Funds</b>	<b>15,192,200</b>	<b>15,192,200</b>	<b>15,192,200</b>	<b>4,103,500</b>	<b>4,103,500</b>	<b>4,103,500</b>
Continuing	(626,300)	(626,300)	(626,300)			
<b>TOTAL BASE LEVEL</b>	<b>14,565,900</b>	<b>14,565,900</b>	<b>14,565,900</b>	<b>4,103,500</b>	<b>4,103,500</b>	<b>4,103,500</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Board of Elections**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Help America Vote Act of 2002:** Included in the above General Fund appropriation is \$1,100,000 in fiscal year 2004-2005 to match Federal Funds from the Help America Vote Act. Notwithstanding KRS 45.229, any unexpended balance from the General Fund appropriation of \$1,100,000 to match those Federal Funds shall not lapse and shall carry forward to fiscal year 2005-2006. Amounts in excess of those included in the General Fund appropriation for this purpose, not to exceed \$1,250,000, shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

**"Cost of Elections:** Included in the above General Fund appropriation is \$3,434,800 in fiscal year 2004-2005 and \$1,479,500 in fiscal year 2005-2006 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.112(7), 116.145, and 117.343). Notwithstanding KRS 117.345(2), the maximum state payment rate is increased from the current statutory level of \$255 to \$300 per precinct per election to each precinct using voting machines. Any amount that the state is required to pay for precinct election expenses under the provisions of KRS 116.112(7), 116.145, 117.343, and 117.345 shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

**HOUSE REPORT**

The House concurs with the Bill as Introduced.

**SENATE REPORT**

The Senate concurs with the House.

**Fiscal Biennium 2004-2006**  
**Budget Modification Report**

03/07/05 8:22 PM

**Board of Elections**

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Registry of Election Finance**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	1,409,500	1,409,500	1,409,500	1,409,500	1,409,500	1,409,500
Restricted Funds				118,000	118,000	118,000
<b>Regular Total Funds</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,527,500</b>	<b>1,527,500</b>	<b>1,527,500</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,527,500</b>	<b>1,527,500</b>	<b>1,527,500</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	1,079,800	1,079,800	1,079,800	1,144,700	1,144,700	1,144,700
Operating Expenses	329,700	329,700	329,700	382,800	382,800	382,800
<b>TOTAL EXPENDITURES</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,527,500</b>	<b>1,527,500</b>	<b>1,527,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	1,409,500	1,409,500	1,409,500	1,409,500	1,409,500	1,409,500
Restricted Funds				118,000	118,000	118,000
<b>Regular Total Funds</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,527,500</b>	<b>1,527,500</b>	<b>1,527,500</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,409,500</b>	<b>1,527,500</b>	<b>1,527,500</b>	<b>1,527,500</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Registry of Election Finance**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Election Campaign Fund (KRS 121A.020) of \$539,600 in fiscal year 2004-2005.

**HOUSE REPORT**

The House concurs with the Bill as Introduced.

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.



**A - Government Operations****Operating Budget****Attorney General**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	13,526,200	13,026,200	13,276,200	13,986,000	13,486,000	13,736,000
Restricted Funds	9,225,200	9,225,200	9,225,200	8,648,800	8,648,800	8,648,800
Federal Funds	2,817,900	2,817,900	2,817,900	2,715,000	2,715,000	2,715,000
<b>Regular Total Funds</b>	<b>25,569,300</b>	<b>25,069,300</b>	<b>25,319,300</b>	<b>25,349,800</b>	<b>24,849,800</b>	<b>25,099,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>25,569,300</b>	<b>25,069,300</b>	<b>25,319,300</b>	<b>25,349,800</b>	<b>24,849,800</b>	<b>25,099,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	17,288,200	16,788,200	17,038,200	17,525,900	17,025,900	17,275,900
Operating Expenses	3,324,400	3,324,400	3,324,400	2,798,900	2,798,900	2,798,900
Grants, Loans, Benefits	4,956,700	4,956,700	4,956,700	5,025,000	5,025,000	5,025,000
<b>TOTAL EXPENDITURES</b>	<b>25,569,300</b>	<b>25,069,300</b>	<b>25,319,300</b>	<b>25,349,800</b>	<b>24,849,800</b>	<b>25,099,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	13,026,200	13,026,200	13,026,200	13,486,000	13,486,000	13,486,000
Restricted Funds	9,225,200	9,225,200	9,225,200	8,648,800	8,648,800	8,648,800
Federal Funds	2,817,900	2,817,900	2,817,900	2,715,000	2,715,000	2,715,000
<b>Regular Total Funds</b>	<b>25,069,300</b>	<b>25,069,300</b>	<b>25,069,300</b>	<b>24,849,800</b>	<b>24,849,800</b>	<b>24,849,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>25,069,300</b>	<b>25,069,300</b>	<b>25,069,300</b>	<b>24,849,800</b>	<b>24,849,800</b>	<b>24,849,800</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund	500,000		250,000	500,000		250,000
<b>TOTAL ADDITIONAL</b>	<b>500,000</b>		<b>250,000</b>	<b>500,000</b>		<b>250,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>						
<b>5 EXPAN Additional Staffing Resources</b>						
ABR0400007 Provide funds for additional personnel and operating expenditures.						
General Fund	500,000		250,000	500,000		250,000
<b>Project Total</b>	<b>500,000</b>		<b>250,000</b>	<b>500,000</b>		<b>250,000</b>
<b>TOTAL ADDITIONAL</b>	<b>500,000</b>		<b>250,000</b>	<b>500,000</b>		<b>250,000</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Attorney General**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Expert Witnesses:** In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses pursuant to KRS 304.17A-095 and 367.150(8). Upon justification of the request, the Finance and Administration Cabinet shall approve up to \$275,000 for the 2004-2006 fiscal biennium for this purpose to the Office of the Attorney General. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

**"Annual and Sick Leave Service Credit:** Notwithstanding any statutory or regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial System who has been appointed to a permanent full-time position under KRS Chapter 18A shall be credited annual and sick leave based on service credited under the Kentucky Retirement System solely for the purpose of computation of sick and annual leave. This provision shall only apply to any new appointment or current employee as of July 1, 1998."

**"Child Sexual Abuse License Plate Revenue:** Notwithstanding KRS 186.1867, the Transportation Cabinet shall review the costs related to the distribution of child victims' license plates. Any revenue received from the sale or renewal of those plates in excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual basis."

**"Legal Services Contracts:** The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Attorney General**

**"County Cemetery Fund:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

**"Fraud and Abuse Revenue Recovery:** Included in the above General Fund appropriation is \$359,800 in fiscal year 2005-2006 for the Medicaid Fraud and Abuse Control Unit and for the average wholesale price litigation in order to enhance revenue recovery for the Commonwealth."

**HOUSE REPORT**

The House concurs with the Bill As Introduced with the following changes:

The House revises Part I, Operating Budget, language provisions as follows:

**"Expert Witnesses:** In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall approve up to \$275,000 for the 2004-2006 fiscal biennium for this purpose to the Office of the Attorney General. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

**"Legal Services Contracts:** The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis."

**"County Cemetery Fund:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5), the Office of the Attorney General may first recover reasonable costs of litigation. Notwithstanding KRS 48.005(5)(b), any remaining funds shall be deposited in the General

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Attorney General**

Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

The House adds Part I, Operating Budget, language provisions as follows:

**"Civil Services - Salary Equity Compensation:** The Office of the Attorney General is authorized to issue eligible attorneys salary equity compensation at the discretion of the Attorney General."

**"Cemetery Consumer Security Funds:** The Office of the Attorney General is authorized to transfer funds from the Cemetery Consumer Security account, under KRS 367.964, to other accounts within the Office of the Attorney General for consumer protection purposes. However, resources sufficient to satisfy projected claims shall be retained within the account."

**"Administrative Hearings:** Notwithstanding KRS 13B.030, in securing hearing officers as necessary to conduct administrative hearings under the jurisdiction of a state agency, as defined in KRS 13B.010(1), the state agency may employ hearing officers, contract with another agency for hearing officers, or contract with private attorneys through personal service contracts only if the Attorney General has first determined that the Office of the Attorney General cannot provide the needed hearing officers to the agency. If the Attorney General determines that the Office of the Attorney General can provide the needed hearing officers to the agency, the agency shall use the hearing officers provided by the Office of the Attorney General. The expenses incurred by the Office of the Attorney General in providing the hearing officers to the agency shall be paid as specified in KRS 13B.030(2)(b). The Office of the Attorney General may add additional staff as necessary to meet the obligations of this section."

**"Resources:** The Office of the Attorney General may hire additional staff as necessary for the effective prosecution of legal actions for the recovery of funds by or on behalf of the Commonwealth of Kentucky, for the effective representation of the Commonwealth of Kentucky in defending against direct or collateral challenges to criminal convictions on appeal, and for the provision of assistance and advice to prosecutors in the Commonwealth of Kentucky."

**"Additional Staffing Resources:** Additional General Fund support totaling \$500,000 in fiscal year 2004-2005 and \$500,000 in fiscal year 2005-2006 is provided for additional staffing resources."

**SENATE REPORT**

The Senate concurs with the House with the following changes:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Attorney General**

The Senate replaces Part I, Operating Budget, language provisions as follows:

**Expert Witnesses:** In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses pursuant to KRS 304.17A-095 and 367.150(8). Upon justification of the request, the Finance and Administration Cabinet shall approve up to \$275,000 for the 2004-2006 fiscal biennium for this purpose to the Office of the Attorney General. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

**"Legal Services Contracts:** The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services."

**"County Cemetery Fund:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

The Senate deletes Part I, Operating Budget, language provisions as follows:

**"Civil Services - Salary Equity Compensation:** The Office of the Attorney General is authorized to issue eligible attorneys salary equity compensation at the discretion of the Attorney General."

**"Cemetery Consumer Security Funds:** The Office of the Attorney General is authorized to transfer funds from the Cemetery Consumer Security account, under KRS 367.964, to other accounts within the Office of the Attorney General for consumer protection purposes. However, resources sufficient to satisfy projected claims shall be retained within the account."

**"Administrative Hearings:** Notwithstanding KRS 13B.030, in securing hearing officers as necessary to conduct administrative hearings under the jurisdiction of a state agency, as defined in KRS 13B.010(1), the state agency may employ hearing officers,

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Attorney General**

contract with another agency for hearing officers, or contract with private attorneys through personal service contracts only if the Attorney General has first determined that the Office of the Attorney General cannot provide the needed hearing officers to the agency. If the Attorney General determines that the Office of the Attorney General can provide the needed hearing officers to the agency, the agency shall use the hearing officers provided by the Office of the Attorney General. The expenses incurred by the Office of the Attorney General in providing the hearing officers to the agency shall be paid as specified in KRS 13B.030(2)(b). The Office of the Attorney General may add additional staff as necessary to meet the obligations of this section."

**"Resources:** The Office of the Attorney General may hire additional staff as necessary for the effective prosecution of legal actions for the recovery of funds by or on behalf of the Commonwealth of Kentucky, for the effective representation of the Commonwealth of Kentucky in defending against direct or collateral challenges to criminal convictions on appeal, and for the provision of assistance and advice to prosecutors in the Commonwealth of Kentucky."

**"Additional Staffing Resources:** Additional General Fund support totaling \$500,000 in fiscal year 2004-2005 and \$500,000 in fiscal year 2005-2006 is provided for additional staffing resources."

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference revises Part I, Operating Budget, language provisions as follows:

**"Expert Witnesses:** In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall approve up to \$275,000 for the 2004-2006 fiscal biennium for this purpose to the Office of the Attorney General. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

**"Legal Services Contracts:** The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Attorney General**

**"County Cemetery Fund:** In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5), the Office of the Attorney General may first recover reasonable costs of litigation. Notwithstanding KRS 48.005(5)(b), any remaining funds shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

The Conference adds Part I, Operating Budget, language provisions as follows:

**"Civil Services - Salary Equity Compensation:** The Office of the Attorney General is authorized to issue eligible attorneys salary equity compensation at the discretion of the Attorney General."

**"Additional Staffing Resources:** Additional General Fund support totaling \$250,000 in fiscal year 2004-2005 and \$250,000 in fiscal year 2005-2006 is provided for additional staffing resources."

**THIS PAGE INTENTIONALLY LEFT BLANK**



A - Government Operations

Capital Budget

---

Attorney General

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
House	Senate	Conference	House	Senate	Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

TOTAL CAPITAL

---

II. CAPITAL PROJECTS

1            Lease - Franklin County

PRJ0400001

General Fund

Project Total

---

TOTAL CAPITAL

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Unified Prosecutorial System Summary**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	50,822,000	50,822,000	50,822,000	53,355,000	53,355,000	53,355,000
Restricted Funds	388,200	388,200	388,200	335,900	335,900	335,900
Federal Funds	996,900	996,900	996,900	1,024,900	1,024,900	1,024,900
<b>Regular Total Funds</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>54,715,800</b>	<b>54,715,800</b>	<b>54,715,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>54,715,800</b>	<b>54,715,800</b>	<b>54,715,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	46,766,700	46,766,700	46,766,700	49,237,900	49,237,900	49,237,900
Operating Expenses	5,405,400	5,405,400	5,405,400	5,442,900	5,442,900	5,442,900
Grants, Loans, Benefits	35,000	35,000	35,000	35,000	35,000	35,000
<b>TOTAL EXPENDITURES</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>54,715,800</b>	<b>54,715,800</b>	<b>54,715,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	50,822,000	50,822,000	50,822,000	52,552,400	52,552,400	52,552,400
Restricted Funds	388,200	388,200	388,200	335,900	335,900	335,900
Federal Funds	996,900	996,900	996,900	1,024,900	1,024,900	1,024,900
<b>Regular Total Funds</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>53,913,200</b>	<b>53,913,200</b>	<b>53,913,200</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>52,207,100</b>	<b>53,913,200</b>	<b>53,913,200</b>	<b>53,913,200</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund				802,600	802,600	802,600
<b>TOTAL ADDITIONAL</b>				<b>802,600</b>	<b>802,600</b>	<b>802,600</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Commonwealth's Attorneys**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	27,842,100	27,842,100	27,842,100	28,850,900	28,850,900	28,850,900
Restricted Funds	350,000	350,000	350,000	311,500	311,500	311,500
Federal Funds	605,200	605,200	605,200	633,200	633,200	633,200
<b>Regular Total Funds</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>29,795,600</b>	<b>29,795,600</b>	<b>29,795,600</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>29,795,600</b>	<b>29,795,600</b>	<b>29,795,600</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	24,566,800	24,566,800	24,566,800	25,499,200	25,499,200	25,499,200
Operating Expenses	4,195,500	4,195,500	4,195,500	4,261,400	4,261,400	4,261,400
Grants, Loans, Benefits	35,000	35,000	35,000	35,000	35,000	35,000
<b>TOTAL EXPENDITURES</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>29,795,600</b>	<b>29,795,600</b>	<b>29,795,600</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	27,842,100	27,842,100	27,842,100	28,588,300	28,588,300	28,588,300
Restricted Funds	350,000	350,000	350,000	311,500	311,500	311,500
Federal Funds	605,200	605,200	605,200	633,200	633,200	633,200
<b>Regular Total Funds</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>29,533,000</b>	<b>29,533,000</b>	<b>29,533,000</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>28,797,300</b>	<b>29,533,000</b>	<b>29,533,000</b>	<b>29,533,000</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund				262,600	262,600	262,600
<b>TOTAL ADDITIONAL</b>				<b>262,600</b>	<b>262,600</b>	<b>262,600</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>						
<b>2    EXPAN    Additional Staffing Resources</b>						
ABR030A0002    Provide General Fund support for additional staffing resources.						
General Fund				262,600	262,600	262,600
<b>Project Total</b>				<b>262,600</b>	<b>262,600</b>	<b>262,600</b>
<b>TOTAL ADDITIONAL</b>				<b>262,600</b>	<b>262,600</b>	<b>262,600</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Commonwealth's Attorneys**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Prosecutors Advisory Council Administrative Functions:** The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act."

**"Caseload Management:** Included in the above General Fund appropriation is \$450,000 in fiscal year 2005-2006 to provide assistance in handling increasing caseloads in Commonwealth's Attorneys' offices statewide."

**HOUSE REPORT**

The House adds a Part I, Operating Budget, language provision as follows:

**"Additional Staffing Resources:** Additional General Fund support totaling \$262,600 in fiscal year 2005-2006 is provided for additional staffing resources.

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

A - Government Operations

Capital Budget

---

Commonwealth's Attorneys

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
House	Senate	Conference	House	Senate	Conference

---

II. CAPITAL PROJECTS

1            Lease - Jefferson County

PRJ030A0001

General Fund

Project Total

---

TOTAL CAPITAL

**THIS PAGE INTENTIONALLY LEFT BLANK**



**A - Government Operations****Operating Budget****County Attorneys**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	22,979,900	22,979,900	22,979,900	24,504,100	24,504,100	24,504,100
Restricted Funds	38,200	38,200	38,200	24,400	24,400	24,400
Federal Funds	391,700	391,700	391,700	391,700	391,700	391,700
<b>Regular Total Funds</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>24,920,200</b>	<b>24,920,200</b>	<b>24,920,200</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>24,920,200</b>	<b>24,920,200</b>	<b>24,920,200</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	22,199,900	22,199,900	22,199,900	23,738,700	23,738,700	23,738,700
Operating Expenses	1,209,900	1,209,900	1,209,900	1,181,500	1,181,500	1,181,500
<b>TOTAL EXPENDITURES</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>24,920,200</b>	<b>24,920,200</b>	<b>24,920,200</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	22,979,900	22,979,900	22,979,900	23,964,100	23,964,100	23,964,100
Restricted Funds	38,200	38,200	38,200	24,400	24,400	24,400
Federal Funds	391,700	391,700	391,700	391,700	391,700	391,700
<b>Regular Total Funds</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>24,380,200</b>	<b>24,380,200</b>	<b>24,380,200</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>23,409,800</b>	<b>24,380,200</b>	<b>24,380,200</b>	<b>24,380,200</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund				540,000	540,000	540,000
<b>TOTAL ADDITIONAL</b>				<b>540,000</b>	<b>540,000</b>	<b>540,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>						
<b>2 EXPAN Additional Staffing Resources</b>						
ABR030B0002 Provide General Fund support for additional staffing resources.						
General Fund				540,000	540,000	540,000
<b>Project Total</b>				<b>540,000</b>	<b>540,000</b>	<b>540,000</b>
<b>TOTAL ADDITIONAL</b>				<b>540,000</b>	<b>540,000</b>	<b>540,000</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**County Attorneys**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Prosecutors Advisory Council Administrative Functions:** The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act."

**"Caseload Management:** Included in the above General Fund appropriation is \$450,000 in fiscal year 2005-2006 to provide assistance in handling increasing caseloads in County Attorneys' offices statewide."

**HOUSE REPORT**

The House adds a Part I, Operating Budget, language provision as follows:

**"Additional Staffing Resources:** Additional General Fund support totaling \$540,000 in fiscal year 2005-2006 is provided for additional staffing resources."

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**A - Government Operations****Operating Budget****Treasury**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	2,047,700	2,047,700	2,047,700	1,941,600	1,941,600	1,941,600
Restricted Funds	778,600	778,600	778,600	793,300	793,300	793,300
Road Fund	250,000	250,000	250,000	250,000	250,000	250,000
<b>Regular Total Funds</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>2,984,900</b>	<b>2,984,900</b>	<b>2,984,900</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>2,984,900</b>	<b>2,984,900</b>	<b>2,984,900</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	2,203,100	2,203,100	2,203,100	2,206,500	2,206,500	2,206,500
Operating Expenses	873,200	873,200	873,200	778,400	778,400	778,400
<b>TOTAL EXPENDITURES</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>2,984,900</b>	<b>2,984,900</b>	<b>2,984,900</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	2,047,700	2,047,700	2,047,700	1,941,600	1,941,600	1,941,600
Restricted Funds	778,600	778,600	778,600	793,300	793,300	793,300
Road Fund	250,000	250,000	250,000	250,000	250,000	250,000
<b>Regular Total Funds</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>2,984,900</b>	<b>2,984,900</b>	<b>2,984,900</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>3,076,300</b>	<b>2,984,900</b>	<b>2,984,900</b>	<b>2,984,900</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Unclaimed Property (KRS 393.250(1)) of \$20,500 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Unclaimed Property Fund:** Included in the above Restricted Funds appropriation is a recurring transfer from the Unclaimed Property Fund. In each respective fiscal year of the 2004-2006 fiscal biennium, \$778,600 and \$793,300 is appropriated to provide funding for services performed by the Unclaimed Property Division of the Department of the Treasury."

**HOUSE REPORT**

The House adds and revises a Part I, Operating Budget, language provision as follows:

**"Unclaimed Property Reporting and Disposition Procedures:** Notwithstanding KRS 48.310, the following statutes are amended to read as follows and shall have permanent effect, subject to future actions by the General Assembly:

Section 1. KRS 393.110 is amended to read as follows:

The department shall promulgate administrative regulations prescribing the reports which shall be filed with the department by persons holding property presumed abandoned, including the date for filing reports, the contents of the reports, the coverage period of

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

the reports, identifying information concerning the property and presumptive owner if known, the manner in which property shall be transferred from the person holding it to the department, requirements for providing notice to a person who may be the owner of property presumed abandoned, legal actions that may be taken to claim property presumed abandoned, and any other necessary and relevant information needed by the department to carry out the responsibilities concerning unclaimed property prescribed in this chapter. The department shall, notwithstanding KRS 424.180 and 424.190, provide on an annual basis notice or published advertisement of property transferred to it. Any procedures prescribed by the department in accordance with this subsection shall employ the most cost-effective methods available for the submission of reports to the department and the notice or advertisement of property transferred to the department~~[(1) — A holder of property presumed abandoned shall make an annual report to the department concerning the property. The report shall be filed on or before November 1 of each year and shall cover the twelve (12) months ending on July 1 of that year. All property so reported shall be turned over by November 1 to the department. The report shall be verified and shall include:~~

- ~~(a) — Except with respect to travelers' checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of one hundred dollars (\$100) or more presumed abandoned under this chapter and in the case of unclaimed funds of life insurance corporations, the full name of the insured or annuitant and his last known address according to the records of the life insurance corporation;~~
- ~~(b) — The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under one hundred dollars (\$100) each may be reported in the aggregate. The~~

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

~~holder of abandoned property shall maintain its records for a period of five (5) years from the date of its report for items reported in the aggregate. If the owner of property reported in the aggregate makes a valid claim within five (5) years, the holder shall refund the property and deduct the amount refunded from the next report due to the department;~~

~~(c) The date when the property became payable, demandable, or returnable, and the date of the last known transaction with the owner with respect to the property if readily available; and~~

~~(d) Any other information which the department prescribes by administrative regulations necessary for the administration of this chapter.~~

~~— The report shall be retained by the department. The department shall publish, in accordance with KRS Chapter 424, an annual advertisement listing the names of persons included in the report. The cost of the publication shall be paid by the state. The list shall be published as required on or before October 1 following the year when it is made, and the publishing shall be constructive notice to all interested parties.~~

~~(2) The holder of property presumed abandoned shall send written notice to the apparent owner, not more than one hundred twenty (120) days or less than sixty (60) days before filing the report, stating that the holder is in possession of the property subject to this section; except the holder shall not be required to mail a notice to any apparent owner where the fair cash value of the property is one hundred dollars (\$100) or less. The notice shall contain:~~

~~(a) A statement that according to a report filed with the department properties are being held to which the addressee appears entitled;~~

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

~~(b) — The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder; and~~

~~(c) — A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the department to whom all further claims must be directed.~~

~~(3) — Any person who has made a report of any estate or property presumed abandoned, as required by this chapter, shall, by November 1 of each year, turn over to the department all property so reported; but if the person making the report or the owner of the property shall certify to the department that any or all of the statutory conditions necessary to create a presumption of abandonment no longer exist or never did exist, or shall report the existence of any fact or circumstance which has a substantial tendency to rebut the presumption, then, the person reporting or holding the property shall not be required to turn the property over to the department except on order of court. If a person files an action in court claiming any property which has been reported under the provisions of this chapter, the person reporting or holding the property shall be under no duty while the action is pending to turn the property over to the department, but shall have the duty of notifying the department of the pendency of the action.~~

~~(4) — The person reporting or holding the property or any claimant of it shall always have the right to a judicial determination of his rights under this chapter, and nothing in this chapter shall be construed otherwise. The Commonwealth may institute an action to recover the property presumed abandoned, whether it has been reported or not, and may include in one (1) petition all the property within the jurisdiction of the court in which the action is brought if the property of different persons is set out in~~

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

~~separate paragraphs~~.

Section 2. KRS 393.280 is amended to read as follows:

- (1) The department, through its employees, may at reasonable times and upon reasonable notice examine all relevant records of any person except any banking organization or financial organization where there is reason to believe that there has been or is a failure to report property that should be reported under this chapter during the preceding reporting period. Records shall be considered relevant to the examination of the preceding reporting period if they document the period necessary, for that type of property, to establish presumed abandonment. Persons subject to examination of records by the department under this subsection shall participate in the Advanced Compliance Enforcement Service (ACES) to increase compliance among businesses with Kentucky's unclaimed property law.
- (2) The Department of Financial Institutions may at reasonable times and upon reasonable notice examine all relevant records of any banking organization or financial organization if there is reason to believe that there has been or is a failure to report property that should be reported under this chapter during the preceding reporting period.
- (3) Documents and working papers obtained or compiled by the department or the Department of Financial Institutions in the course of conducting an examination are confidential and are not open records under KRS 61.870 to 61.884.
- (4) The State Treasurer may promulgate administrative regulations pursuant to KRS Chapter 13A and any reasonable and necessary rules for the enforcement of this chapter, and govern hearings held before him. He may delegate in writing to any employee of the department authority to perform any of the duties imposed on him by this chapter, except the promulgation of rules."

**SENATE REPORT**



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following change:

The House adds and revises a Part I, Operating Budget, language provision as follows:

**"Unclaimed Property Reporting and Disposition Procedures:** Notwithstanding KRS 48.310, the following statutes are amended to read as follows and shall have permanent effect, subject to future actions by the General Assembly:

Section 1. KRS 393.110 is amended to read as follows:

The department shall promulgate administrative regulations prescribing the reports which shall be filed with the department by persons holding property presumed abandoned, including the date for filing reports, the contents of the reports, the coverage period of the reports, identifying information concerning the property and presumptive owner if known, the manner in which property shall be transferred from the person holding it to the department, requirements for providing notice to a person who may be the owner of property presumed abandoned, legal actions that may be taken to claim property presumed abandoned, and any other necessary and relevant information needed by the department to carry out the responsibilities concerning unclaimed property prescribed in this chapter. The department shall, notwithstanding KRS 424.180 and 424.190, provide on an annual basis notice or published advertisement of property transferred to it. Any procedures prescribed by the department in accordance with this subsection shall employ the most cost-effective methods available for the submission of reports to the department and the notice or advertisement of property transferred to the department~~[(1) — A holder of property presumed abandoned shall make an annual report to the department concerning the property. The report shall be filed on or before November 1 of each year and shall cover the twelve (12) months ending on July 1 of that year. All property so reported shall be turned over by November 1 to the department. The report shall be verified and~~

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

shall include:

- ~~(a) Except with respect to travelers' checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of one hundred dollars (\$100) or more presumed abandoned under this chapter and in the case of unclaimed funds of life insurance corporations, the full name of the insured or annuitant and his last known address according to the records of the life insurance corporation;~~
- ~~(b) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under one hundred dollars (\$100) each may be reported in the aggregate. The holder of abandoned property shall maintain its records for a period of five (5) years from the date of its report for items reported in the aggregate. If the owner of property reported in the aggregate makes a valid claim within five (5) years, the holder shall refund the property and deduct the amount refunded from the next report due to the department;~~
- ~~(c) The date when the property became payable, demandable, or returnable, and the date of the last known transaction with the owner with respect to the property if readily available; and~~
- ~~(d) Any other information which the department prescribes by administrative regulations necessary for the administration of this chapter.~~

~~—The report shall be retained by the department. The department shall publish, in accordance with KRS Chapter 424, an annual advertisement listing the names of persons included in the report. The cost of the publication shall be paid by the state. The list~~

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

~~shall be published as required on or before October 1 following the year when it is made, and the publishing shall be constructive notice to all interested parties.~~

~~(2) — The holder of property presumed abandoned shall send written notice to the apparent owner, not more than one hundred twenty (120) days or less than sixty (60) days before filing the report, stating that the holder is in possession of the property subject to this section; except the holder shall not be required to mail a notice to any apparent owner where the fair cash value of the property is one hundred dollars (\$100) or less. The notice shall contain:~~

~~(a) — A statement that according to a report filed with the department properties are being held to which the addressee appears entitled;~~

~~(b) — The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder; and~~

~~(c) — A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the department to whom all further claims must be directed.~~

~~(3) — Any person who has made a report of any estate or property presumed abandoned, as required by this chapter, shall, by November 1 of each year, turn over to the department all property so reported; but if the person making the report or the owner of the property shall certify to the department that any or all of the statutory conditions necessary to create a presumption of abandonment no longer exist or never did exist, or shall report the existence of any fact or circumstance which has a substantial tendency to rebut the presumption, then, the person reporting or holding the property shall not be required to turn the property~~

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

~~over to the department except on order of court. If a person files an action in court claiming any property which has been reported under the provisions of this chapter, the person reporting or holding the property shall be under no duty while the action is pending to turn the property over to the department, but shall have the duty of notifying the department of the pendency of the action.~~

~~(4) The person reporting or holding the property or any claimant of it shall always have the right to a judicial determination of his rights under this chapter, and nothing in this chapter shall be construed otherwise. The Commonwealth may institute an action to recover the property presumed abandoned, whether it has been reported or not, and may include in one (1) petition all the property within the jurisdiction of the court in which the action is brought if the property of different persons is set out in separate paragraphs].~~

Section 2. KRS 393.280 is amended to read as follows:

- (1) The department, through its employees, may at reasonable times and upon reasonable notice examine all relevant records of any person except any banking organization or financial organization where there is reason to believe that there has been or is a failure to report property that should be reported under this chapter during the preceding reporting period. Records shall be considered relevant to the examination of the preceding reporting period if they document the period necessary, for that type of property, to establish presumed abandonment. **The Department may avail itself of enforcement technologies and programs designed to increase compliance among businesses with Kentucky's Unclaimed Property Law.**
- (2) The Department of Financial Institutions may at reasonable times and upon reasonable notice examine all relevant records of any banking organization or financial organization if there is reason to believe that there has been or is a failure to report property

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Treasury**

that should be reported under this chapter during the preceding reporting period.

- (3) Documents and working papers obtained or compiled by the department or the Department of Financial Institutions in the course of conducting an examination are confidential and are not open records under KRS 61.870 to 61.884.
- (4) The State Treasurer may promulgate administrative regulations pursuant to KRS Chapter 13A and any reasonable and necessary rules for the enforcement of this chapter, and govern hearings held before him. He may delegate in writing to any employee of the department authority to perform any of the duties imposed on him by this chapter, except the promulgation of rules."

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Capital Budget****Treasury**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
General Fund				140,700	140,700	140,700
Capital Construction Sur	63,000	63,000	63,000	63,000	63,000	63,000
<b>TOTAL CAPITAL</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>	<b>203,700</b>	<b>203,700</b>	<b>203,700</b>
<b>II. CAPITAL PROJECTS</b>						
<b>1</b>	<b>Checksealer Equipment - Lease - Additional</b>					
PRJ1250055						
Capital Construction Sur	63,000	63,000	63,000	63,000	63,000	63,000
<b>Project Total</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>
<b>2</b>	<b>Printers</b>					
PRJ1250056						
General Fund				140,700	140,700	140,700
<b>Project Total</b>				<b>140,700</b>	<b>140,700</b>	<b>140,700</b>
<b>TOTAL CAPITAL</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>	<b>203,700</b>	<b>203,700</b>	<b>203,700</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**



## A - Government Operations

## Operating Budget

## Agriculture

			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
			House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE								
General Fund			19,010,000	19,010,000	19,010,000	19,010,000	19,010,000	19,010,000
Restricted Funds			5,696,000	5,696,000	5,696,000	3,909,500	3,909,500	3,909,500
Federal Funds			4,813,100	4,813,100	4,813,100	4,813,100	4,813,100	4,813,100
Regular Total Funds			29,519,100	29,519,100	29,519,100	27,732,600	27,732,600	27,732,600
Continuing								
TOTAL FUNDS			29,519,100	29,519,100	29,519,100	27,732,600	27,732,600	27,732,600
II. EXPENDITURE CATEGORY								
Personnel Costs			18,997,700	18,997,700	18,997,700	18,359,900	18,359,900	18,359,900
Operating Expenses			5,219,100	5,219,100	5,219,100	4,273,800	4,273,800	4,273,800
Grants, Loans, Benefits			4,902,300	4,902,300	4,902,300	4,698,900	4,698,900	4,698,900
Capital Outlay			400,000	400,000	400,000	400,000	400,000	400,000
TOTAL EXPENDITURES			29,519,100	29,519,100	29,519,100	27,732,600	27,732,600	27,732,600
III. BASE LEVEL BUDGET BY FUND SOURCE								
General Fund			18,876,500	18,876,500	18,876,500	18,876,500	18,876,500	18,876,500
Restricted Funds			5,696,000	5,696,000	5,696,000	3,909,500	3,909,500	3,909,500
Federal Funds			4,813,100	4,813,100	4,813,100	4,813,100	4,813,100	4,813,100
Regular Total Funds			29,385,600	29,385,600	29,385,600	27,599,100	27,599,100	27,599,100
Continuing								
TOTAL BASE LEVEL			29,385,600	29,385,600	29,385,600	27,599,100	27,599,100	27,599,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE								
General Fund			133,500	133,500	133,500	133,500	133,500	133,500
TOTAL ADDITIONAL			133,500	133,500	133,500	133,500	133,500	133,500
V. ADDITIONAL BUDGET ITEMS								
1	EXPAN	University of Kentucky Diagnostic Laboratory - Grant						
ABR0350003		Provide funds to increase grant expenditures to \$478,500 in each year of the biennium.						
		General Fund	108,500	108,500	108,500	108,500	108,500	108,500
		Project Total	108,500	108,500	108,500	108,500	108,500	108,500
2	NEW	Ultrasound Testing-North American International Livestock Exposition						
ABR0350004		Provide support for ultrasound testing for the North American International Livestock Exposition relating to animal health.						
		General Fund	25,000	25,000	25,000	25,000	25,000	25,000
		Project Total	25,000	25,000	25,000	25,000	25,000	25,000

## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

**A - Government Operations****Operating Budget****Agriculture**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
TOTAL ADDITIONAL	133,500	133,500	133,500	133,500	133,500	133,500

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Agriculture**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Agency Revenue Funds (KRS 217B.580, 248.290(2), 251.430, 260.650, 363.330, 363.906, and 438.335) of \$153,800 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Breathitt Veterinary Center and Diagnostic Laboratories:** Included in the above General Fund appropriation is \$478,500 in fiscal year 2004-2005 and \$478,500 in fiscal year 2005-2006 for the Breathitt Veterinary Center at Murray State University and \$370,000 in fiscal year 2004-2005 and \$370,000 in fiscal year 2005-2006 for the University of Kentucky for the diagnostic laboratories."

**"Mexico Joint Trade Office:** Included in the above General Fund appropriation is \$100,000 in each fiscal year for the Agriculture/Economic Development joint trade office in Mexico."

**"Enforcement of Tobacco Product Sale Restrictions:** Included in the above General Fund appropriation is \$260,000 in fiscal year 2004-2005 and \$260,000 in fiscal year 2005-2006 to carry out the provisions of KRS 438.335."

**"Purchase of Agricultural Conservation Easement (PACE) Program:** The PACE board may contract directly with land surveyors, real estate appraisers, and other licensed professionals as necessary."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Agriculture**

**"Operations of the Department:** Notwithstanding KRS 217B.580, 248.290(2), 251.430, 260.650, 363.330, 363.906, and 438.335, funds may be expended in support of the operations of the Department."

**HOUSE REPORT**

The House concurs with the Bill As Introduced with the following changes:

The House replaces Part I, Operating Budget, language provisions as follows:

**"Operations of the Department:** The Commissioner of the Department of Agriculture shall not reduce or eliminate any program which is funded in this Act for the purpose of transferring such funds to any new program or existing programs without providing to the Interim Joint Committee on Appropriations and Revenue justification of such activities at least 60 days prior to the proposed action."

**"Breathitt Veterinary Center and Diagnostic Laboratories:** Included in the above General Fund appropriation is \$478,500 in fiscal year 2004-2005 and \$478,500 in fiscal year 2005-2006 for the Breathitt Veterinary Center at Murray State University and \$478,500 in fiscal year 2004-2005 and \$478,500 in fiscal year 2005-2006 for the University of Kentucky for the diagnostic laboratories."

The House adds Part I, Operating Budget, language provisions as follows:

**"Metrology Lab Operating Fees:** The Department of Agriculture may promulgate regulations establishing licensing fees, testing fees, and any other fees necessary to operate and maintain a metrology lab in the Office of Consumer and Environmental Protection. These Restricted Funds receipts shall be utilized for personnel and operations of the metrology lab."

**"Ultrasound Testing:** Additional General Fund support totaling \$25,000 in fiscal year 2004-2005 and \$25,000 in fiscal year 2005-2006 is provided for ultrasound testing for the North American International Livestock Exposition relating to animal health."

**SENATE REPORT**

The Senate concurs with the House with the following change:

The Senate replaces a Part I, Operating Budget, language provision as follows:

**Fiscal Biennium 2004-2006**  
**Budget Modification Report**

03/07/05 8:22 PM

**Agriculture**

**"Operations of the Department:** Notwithstanding KRS 217B.580, 248.290(2), 251.430, 260.650, 363.330, 363.906, and 438.335, funds may be expended in support of the operations of the Department."

**CONFERENCE REPORT**

The Conference concurs with the House.

**THIS PAGE INTENTIONALLY LEFT BLANK**

A - Government Operations

Capital Budget

---

Agriculture

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference

---

II. CAPITAL PROJECTS

1 Franklin County - Lease

PRJ0350002

General Fund

Project Total

---

TOTAL CAPITAL

**THIS PAGE INTENTIONALLY LEFT BLANK**



**A - Government Operations****Operating Budget****Auditor of Public Accounts**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	5,780,800	5,780,800	5,780,800	5,530,800	5,530,800	5,530,800
Restricted Funds	3,096,500	3,096,500	3,096,500	3,306,000	3,306,000	3,306,000
<b>Regular Total Funds</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,836,800</b>	<b>8,836,800</b>	<b>8,836,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,836,800</b>	<b>8,836,800</b>	<b>8,836,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	7,986,500	7,986,500	7,986,500	8,013,900	8,013,900	8,013,900
Operating Expenses	858,200	858,200	858,200	790,300	790,300	790,300
Capital Outlay	32,600	32,600	32,600	32,600	32,600	32,600
<b>TOTAL EXPENDITURES</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,836,800</b>	<b>8,836,800</b>	<b>8,836,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	5,780,800	5,780,800	5,780,800	5,530,800	5,530,800	5,530,800
Restricted Funds	3,096,500	3,096,500	3,096,500	3,306,000	3,306,000	3,306,000
<b>Regular Total Funds</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,836,800</b>	<b>8,836,800</b>	<b>8,836,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,877,300</b>	<b>8,836,800</b>	<b>8,836,800</b>	<b>8,836,800</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Auditor of Public Accounts**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Auditor's Scholarships:** Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships."

**"Audit Services Contracts:** No state agency shall enter into any contract with a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit."

**"Audit Records and Status Reports:** The Auditor of Public Accounts shall report in writing each 60 days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits. The Auditor of Public Accounts shall maintain a record of all time and expenses for each audit or investigation."

**"Charges for Federal, State, and Local Audits:** Any additional expense incurred by the Auditor of Public Accounts for auditing Federal Funds, when the audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency when the costs may be charged against Federal Funds. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office. The Auditor of Public Accounts shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of 120 days or until the

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Auditor of Public Accounts**

Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operations of the office.

The "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996" (OMB Circular No. A-133) have changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional Agency Receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 2005 General Assembly, subject to the conditions and procedures provided in this Act.

Any expenses incurred by the Auditor of Public Accounts for auditing a state or local government agency or other entity upon its request, or for performing an audit required by statute unless the audit is required by those standards governing the audit of the Commonwealth's Comprehensive Financial Report or the provisions contained in the "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996," shall be charged to the agency or entity audited.

Any expense incurred by the Auditor of Public Accounts for auditing individual governmental entities shall be charged to the agency receiving audit services when expenses are mutually agreed upon or when a legislatively mandated study by the Auditor of Public Accounts has determined the need for the audit."

**HOUSE REPORT**

The House concurs with the Bill as Introduced.

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Personnel Board**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	543,500	543,500	543,500	583,500	583,500	583,500
<b>Regular Total Funds</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>583,500</b>	<b>583,500</b>	<b>583,500</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>583,500</b>	<b>583,500</b>	<b>583,500</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	471,600	471,600	471,600	471,500	471,500	471,500
Operating Expenses	71,900	71,900	71,900	112,000	112,000	112,000
<b>TOTAL EXPENDITURES</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>583,500</b>	<b>583,500</b>	<b>583,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	543,500	543,500	543,500	543,500	543,500	543,500
<b>Regular Total Funds</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>	<b>543,500</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund				40,000	40,000	40,000
<b>TOTAL ADDITIONAL</b>				<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>						
<b>1 NEW Merit System Elections</b>						
ABR2680002 Provide funds to conduct Merit System elections for two members of the Personnel Board required by the KRS 18A.						
General Fund				40,000	40,000	40,000
<b>Project Total</b>				<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>TOTAL ADDITIONAL</b>				<b>40,000</b>	<b>40,000</b>	<b>40,000</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Personnel Board**

**BILL AS INTRODUCED**

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House provides \$40,000 additional General Fund support in fiscal year 2005-2006 for the required election of merit system employees to the Board.

The House adds in Part I, Operating Budget, language as follows:

**"Personnel Board Elections:** Included in the above General Fund appropriation is \$40,000 in fiscal year 2005-2006 to provide for the expense of Merit System employee elections to the Personnel Board as provided in KR 18A.0551."

**"Administrative Hearing Notice:** Notwithstanding KR 13B.050(2), the Personnel Board shall send notices of administrative hearings by first-class mail."

**SENATE REPORT**

The Senate concurs with the House.

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**A - Government Operations****Operating Budget****Kentucky Retirement Systems**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	4,562,500	4,562,500	4,562,500	11,951,700	11,951,700	11,951,700
Restricted Funds	17,784,300	18,684,300	18,684,300	19,065,000	19,965,000	19,965,000
<b>Regular Total Funds</b>	<b>22,346,800</b>	<b>23,246,800</b>	<b>23,246,800</b>	<b>31,016,700</b>	<b>31,916,700</b>	<b>31,916,700</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>22,346,800</b>	<b>23,246,800</b>	<b>23,246,800</b>	<b>31,016,700</b>	<b>31,916,700</b>	<b>31,916,700</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	18,600,100	18,600,100	18,600,100	27,156,700	27,156,700	27,156,700
Operating Expenses	3,315,300	4,215,300	4,215,300	3,396,700	4,296,700	4,296,700
Capital Outlay	431,400	431,400	431,400	463,300	463,300	463,300
<b>TOTAL EXPENDITURES</b>	<b>22,346,800</b>	<b>23,246,800</b>	<b>23,246,800</b>	<b>31,016,700</b>	<b>31,916,700</b>	<b>31,916,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	4,562,500	4,562,500	4,562,500	11,851,700	11,851,700	11,851,700
Restricted Funds	17,784,300	17,784,300	17,784,300	19,065,000	19,065,000	19,065,000
<b>Regular Total Funds</b>	<b>22,346,800</b>	<b>22,346,800</b>	<b>22,346,800</b>	<b>30,916,700</b>	<b>30,916,700</b>	<b>30,916,700</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>22,346,800</b>	<b>22,346,800</b>	<b>22,346,800</b>	<b>30,916,700</b>	<b>30,916,700</b>	<b>30,916,700</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>						
General Fund				100,000	100,000	100,000
Restricted Funds		900,000	900,000		900,000	900,000
<b>TOTAL ADDITIONAL</b>		<b>900,000</b>	<b>900,000</b>	<b>100,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>						
<b>1 NEW Under 65 Spouse Insurance Supplement</b>						
ABR1000001	Provide a supplement to members over 65 with spouses under 65 covered, to partially offset the increase in individual premium.					
General Fund				100,000	100,000	100,000
<b>Project Total</b>				<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>2 NEW Medicare Modernization Act / Operation and Technology Platform Enhancements</b>						
ABR1000002	Provide authority to expend Trust Funds for the additional cost of the Federal Medicare Modernization Act and the improvements of the Operating Platform of the System.					
Restricted Funds		900,000	900,000		900,000	900,000
<b>Project Total</b>		<b>900,000</b>	<b>900,000</b>		<b>900,000</b>	<b>900,000</b>

## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

**A - Government Operations****Operating Budget****Kentucky Retirement Systems**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
TOTAL ADDITIONAL		900,000	900,000	100,000	1,000,000	1,000,000



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Retirement Systems**

**BILL AS INTRODUCED**

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following change:

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

**"Health Insurance Funding:** Included in the above General Fund appropriation is \$4,562,500 in fiscal year 2004-2005 to provide a subsidy for retired members who choose couple, family, or parent-plus coverage, which is representative of the amount appropriated in 2004 (Extra. Sess) Ky. Acts ch 1, sec 15 for this purpose and is not to be appropriated in duplication. Included in the above General Fund appropriation is \$11,851,700 in fiscal year 2005-2006 to provide an additional subsidy for retired members who choose couple, family, or parent plus coverage.

Also included in the above General Fund appropriation is \$100,000 in fiscal year 2005-2006 for the retirement system to provide a subsidy for those retired state members over age 65 that insure their spouses under age 65 through the state health insurance plan for Plan Year 2006. The amount of the subsidy for those over 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family, or parent plus coverage."

**SENATE REPORT**

The Senate concurs with the House with the following change:

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky Retirement Systems**

**"Health Insurance Funding:** Included in the above General Fund appropriation is \$4,562,500 in fiscal year 2004-2005 to provide a subsidy for retired members who choose couple, family, or parent-plus coverage, which is representative of the amount appropriated in 2004 (Extra. Sess) Ky. Acts ch 1, sec 15 for this purpose and is not to be appropriated in duplication. Included in the above General Fund appropriation is \$11,851,700 in fiscal year 2005-2006 to provide an additional subsidy for retired members who choose couple, family, or parent plus coverage.

Also included in the above General Fund appropriation is \$100,000 in fiscal year 2005-2006 for the retirement system to provide a subsidy for those retired state members over age 65 that insure their spouses under age 65 through the state health insurance plan for Plan Year 2006. The amount of the subsidy for those over 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family, or parent plus coverage."

**"Medicare Modernization Act Implementation and Operation and Technology Platform Enhancements:** Included in the above Restricted Funds is \$900,000 in each fiscal year to address the additional cost to the Retirement System for the Federal Medicare Modernization Act and to provide the funding requested by the Board to enhance the Operation and Technology Platform utilized by the System."

**CONFERENCE REPORT**

The Conference concurs with the Senate.

A - Government Operations

Capital Budget

Kentucky Retirement Systems

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference

II. CAPITAL PROJECTS

1            Lease - Franklin County

PRJ1000001

Restricted Funds

Project Total

TOTAL CAPITAL

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Boards and Commissions**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
Restricted Funds	17,824,400	17,824,400	18,050,600	17,448,300	17,448,300	17,733,300
<b>Regular Total Funds</b>	<b>17,824,400</b>	<b>17,824,400</b>	<b>18,050,600</b>	<b>17,448,300</b>	<b>17,448,300</b>	<b>17,733,300</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>17,824,400</b>	<b>17,824,400</b>	<b>18,050,600</b>	<b>17,448,300</b>	<b>17,448,300</b>	<b>17,733,300</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	11,824,300	11,824,300	11,950,500	12,129,700	12,129,700	12,304,700
Operating Expenses	5,216,100	5,216,100	5,316,100	4,521,600	4,521,600	4,631,600
Grants, Loans, Benefits	712,000	712,000	712,000	712,000	712,000	712,000
Capital Outlay	72,000	72,000	72,000	85,000	85,000	85,000
<b>TOTAL EXPENDITURES</b>	<b>17,824,400</b>	<b>17,824,400</b>	<b>18,050,600</b>	<b>17,448,300</b>	<b>17,448,300</b>	<b>17,733,300</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
Restricted Funds	17,824,400	17,824,400	18,050,600	17,448,300	17,448,300	17,733,300
<b>Regular Total Funds</b>	<b>17,824,400</b>	<b>17,824,400</b>	<b>18,050,600</b>	<b>17,448,300</b>	<b>17,448,300</b>	<b>17,733,300</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>17,824,400</b>	<b>17,824,400</b>	<b>18,050,600</b>	<b>17,448,300</b>	<b>17,448,300</b>	<b>17,733,300</b>
<b>VI. EXPENDITURES BY UNIT</b>						
<b>Accountancy</b>						
Restricted Funds	571,200	571,200	571,200	604,000	604,000	604,000
<b>Certification of Alcohol and Drug Counselors</b>						
Restricted Funds	65,200	65,200	65,200	67,200	67,200	67,200
<b>Architects</b>						
Restricted Funds	262,500	262,500	262,500	265,000	265,000	265,000
<b>Certification of Professional Art Therapists</b>						
Restricted Funds	11,400	11,400	11,400	11,400	11,400	11,400
<b>Auctioneers</b>						
Restricted Funds	398,800	398,800	398,800	397,300	397,300	397,300
<b>Barbering</b>						
Restricted Funds	230,300	230,300	230,300	236,600	236,600	236,600
<b>Chiropractic Examiners</b>						
Restricted Funds	194,400	194,400	194,400	200,500	200,500	200,500

**A - Government Operations****Operating Budget****Boards and Commissions**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>Dentistry</b>						
Restricted Funds	613,800	613,800	613,800	618,200	618,200	618,200
<b>Licensure and Certification for Dietitians &amp; Nutritionists</b>						
Restricted Funds	74,500	74,500	74,500	77,500	77,500	77,500
<b>Embalmers and Funeral Directors</b>						
Restricted Funds	249,100	249,100	249,100	249,100	249,100	249,100
<b>Licensure for Professional Engineers &amp; Land Surveyors</b>						
Restricted Funds	1,363,600	1,363,600	1,363,600	1,379,400	1,379,400	1,379,400
<b>Certification of Fee-Based Pastoral Counselors</b>						
Restricted Funds	7,500	7,500	7,500	7,500	7,500	7,500
<b>Registration for Professional Geologists</b>						
Restricted Funds	135,000	135,000	135,000	135,000	135,000	135,000
<b>Hairdressers &amp; Cosmetologists</b>						
Restricted Funds	723,800	723,800	950,000	713,500	713,500	998,500
<b>Specialists in Hearing Instruments</b>						
Restricted Funds	51,500	51,500	51,500	55,200	55,200	55,200
<b>Interpreters for the Deaf &amp; Hard of Hearing</b>						
Restricted Funds	31,000	31,000	31,000	31,000	31,000	31,000
<b>Examiners and Registration of Landscape Architects</b>						
Restricted Funds	58,500	58,500	58,500	58,600	58,600	58,600
<b>Licensure of Marriage and Family Therapists</b>						
Restricted Funds	83,200	83,200	83,200	83,200	83,200	83,200
<b>Licensure for Massage Therapy</b>						
Restricted Funds	58,800	58,800	58,800	62,800	62,800	62,800
<b>Medical Licensure</b>						
Restricted Funds	2,110,900	2,110,900	2,110,900	2,119,900	2,119,900	2,119,900
<b>Nursing</b>						
Restricted Funds	5,105,300	5,105,300	5,105,300	4,674,200	4,674,200	4,674,200
<b>Licensure for Nursing Home Administrators</b>						
Restricted Funds	76,200	76,200	76,200	76,200	76,200	76,200
<b>Licensure for Occupational Therapy</b>						
Restricted Funds	86,000	86,000	86,000	86,000	86,000	86,000

**A - Government Operations****Operating Budget****Boards and Commissions**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>Ophthalmic Dispensers</b>						
Restricted Funds	62,900	62,900	62,900	62,900	62,900	62,900
<b>Optometric Examiners</b>						
Restricted Funds	159,700	159,700	159,700	164,100	164,100	164,100
<b>Pharmacy</b>						
Restricted Funds	883,200	883,200	883,200	896,700	896,700	896,700
<b>Physical Therapy</b>						
Restricted Funds	263,100	263,100	263,100	264,700	264,700	264,700
<b>Podiatry</b>						
Restricted Funds	21,100	21,100	21,100	21,700	21,700	21,700
<b>Private Investigators</b>						
Restricted Funds	63,500	63,500	63,500	64,200	64,200	64,200
<b>Licensed Professional Counselors</b>						
Restricted Funds	53,700	53,700	53,700	56,200	56,200	56,200
<b>Proprietary Education</b>						
Restricted Funds	144,300	144,300	144,300	149,300	149,300	149,300
<b>Examiners of Psychology</b>						
Restricted Funds	176,100	176,100	176,100	176,100	176,100	176,100
<b>Real Estate Appraisers</b>						
Restricted Funds	578,400	578,400	578,400	589,000	589,000	589,000
<b>Real Estate Commission</b>						
Restricted Funds	2,251,100	2,251,100	2,251,100	2,179,400	2,179,400	2,179,400
<b>Respiratory Care</b>						
Restricted Funds	132,700	132,700	132,700	139,600	139,600	139,600
<b>Social Work</b>						
Restricted Funds	145,300	145,300	145,300	145,300	145,300	145,300
<b>Speech-Language Pathology &amp; Audiology</b>						
Restricted Funds	89,000	89,000	89,000	92,000	92,000	92,000
<b>Veterinary Examiners</b>						
Restricted Funds	237,800	237,800	237,800	237,800	237,800	237,800
<b>TOTAL</b>	<b>17,824,400</b>	<b>17,824,400</b>	<b>18,050,600</b>	<b>17,448,300</b>	<b>17,448,300</b>	<b>17,733,300</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Occupational and Professional Boards and Commissions**

**BILL AS INTRODUCED**

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

The Part V, Funds Transfer, includes a transfer in fiscal year 2004-2005 from: Accountancy, \$107,800; Certification of Alcohol and Drug Counselors, \$5,000; Architects, \$4,300; Auctioneers, \$27,100; Barbering, \$17,300; Chiropractic Examiners, \$27,900; Dentistry, \$66,500; Embalmers and Funeral Directors, \$20,200; Licensure for Engineers and Land Surveyors, \$288,000; Registration for Professional Geologists, \$44,600; Hairdressers and Cosmetologists, \$17,600; Specialists in Hearing Instruments, \$2,600; Interpreters for Deaf and Hard of Hearing, \$5,800; Examiners and Registration of Landscape Architects, \$4,100; Licensure of Marriage and Family Therapists, \$3,000; Medical Licensure, \$52,500; Nursing, \$442,700; Licensure for Occupational Therapy, \$15,000; Ophthalmic Dispensers, \$2,000; Optometric Examiners, \$6,200; Pharmacy, \$90,500; Physical Therapy, \$37,300; Podiatry, \$400; Private Investigators, \$2,000; Licensed Professional Counselors, \$25,800; Proprietary Education, \$28,800; Examiners of Psychology, \$37,300; Real Estate Appraisers, \$55,400; Real Estate Commission, \$302,400; Respiratory Care, \$4,300; Social Work, \$26,000; Speech-Language Pathology and Audiology, \$2,200; and Veterinary Examiners, \$51,100.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following change:

The House amends Part V, Funds Transfer: no transfers of Restricted Funds from Occupational and Professional Boards and Commissions shall occur in fiscal year 2004-2005, or fiscal year 2005-2006.



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Occupational and Professional Boards and Commissions**

**SENATE REPORT**

The Senate concurs with the House with the following change:

The Senate amends Part V, Funds Transfer, to include Restricted Funds transfers from all Occupational and Professional Boards and Commissions listed in the Bill as Introduced.

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference increases the Restricted Funds appropriations for the Board of Hairdressers and Cosmetologists in fiscal year 2004-2005 from \$723,800 to \$990,500 and in fiscal year 2005-2006 from \$713,500 to \$998,500.

The Conference provides in Part V, Funds Transfer, to include all Occupational and Professional Boards and Commissions as described in the Bill as Introduced in fiscal year 2004-2005: Accountancy, \$107,800; Certification of Alcohol and Drug Counselors, \$5,000; Architects, \$4,300; Auctioneers, \$27,100; Barbering, \$17,300; Chiropractic Examiners, \$27,900; Dentistry, \$66,500; Embalmers and Funeral Directors, \$20,200; Licensure for Engineers and Land Surveyors, \$288,000; Registration for Professional Geologists, \$44,600; Hairdressers and Cosmetologists, \$17,600; Specialists in Hearing Instruments, \$2,600; Interpreters for Deaf and Hard of Hearing, \$5,800; Examiners and Registration of Landscape Architects, \$4,100; Licensure of Marriage and Family Therapists, \$3,000; Medical Licensure, \$52,500; Nursing, \$442,700; Licensure for Occupational Therapy, \$15,000; Ophthalmic Dispensers, \$2,000; Optometric Examiners, \$6,200; Pharmacy, \$90,500; Physical Therapy, \$37,300; Podiatry, \$400; Private Investigators, \$2,000; Licensed Professional Counselors, \$25,800; Proprietary Education, \$28,800; Examiners of Psychology, \$37,300; Real Estate Appraisers, \$55,400; Real Estate Commission, \$302,400; Respiratory Care, \$4,300; Social Work, \$26,000; Speech-Language Pathology and Audiology, \$2,200; and Veterinary Examiners, \$51,100.

**THIS PAGE INTENTIONALLY LEFT BLANK**

A - Government Operations

Capital Budget

---

Boards and Commissions

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference

II. CAPITAL PROJECTS

1            Lease - Jefferson County

PRJ2500001

Restricted Funds

Project Total

TOTAL CAPITAL

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Emergency Medical Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	2,391,600	2,391,600	2,391,600	2,391,600	2,391,600	2,391,600
Restricted Funds	171,700	171,700	171,700	171,700	171,700	171,700
Federal Funds	1,416,500	1,416,500	1,416,500	436,500	436,500	436,500
<b>Regular Total Funds</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>2,999,800</b>	<b>2,999,800</b>	<b>2,999,800</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>2,999,800</b>	<b>2,999,800</b>	<b>2,999,800</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	1,069,700	1,069,700	1,069,700	1,104,200	1,104,200	1,104,200
Operating Expenses	599,200	599,200	599,200	594,200	594,200	594,200
Grants, Loans, Benefits	2,310,900	2,310,900	2,310,900	1,301,400	1,301,400	1,301,400
<b>TOTAL EXPENDITURES</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>2,999,800</b>	<b>2,999,800</b>	<b>2,999,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	2,391,600	2,391,600	2,391,600	2,391,600	2,391,600	2,391,600
Restricted Funds	171,700	171,700	171,700	171,700	171,700	171,700
Federal Funds	1,416,500	1,416,500	1,416,500	436,500	436,500	436,500
<b>Regular Total Funds</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>2,999,800</b>	<b>2,999,800</b>	<b>2,999,800</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>3,979,800</b>	<b>2,999,800</b>	<b>2,999,800</b>	<b>2,999,800</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Board of Emergency Medical Services**

**BILL AS INTRODUCED**

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer in fiscal year 2004-2005 of \$105,000.

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House amends Part V, Funds Transfer: no transfers of Restricted Funds from the Board of Emergency Medical Services shall occur in fiscal year 2004-2005 or fiscal year 2005-2006.

The House adds Part I, Operating Budget, language relating to Medicaid ambulance receipts, as follows:

**"Medicaid Supplement:** Notwithstanding KRS 311A.145, a total of \$300,000 in Restricted Funds from fiscal year 2004-2005 Emergency Medical Services Board collections shall be transferred to Medicaid Benefits in fiscal year 2005-2006 in order to increase the amount of Federal Funds able to be matched to increase Medicaid ambulance fees."

**SENATE REPORT**

The Senate concurs with the House.

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Board of Emergency Medical Services**

**CONFERENCE REPORT**

The Conference concurs with the House and Senate.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**A - Government Operations****Operating Budget****Kentucky River Authority**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	369,500	369,500	369,500	369,500	369,500	369,500
Restricted Funds	6,470,800	6,470,800	6,470,800	1,408,200	1,408,200	1,408,200
<b>Regular Total Funds</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>1,777,700</b>	<b>1,777,700</b>	<b>1,777,700</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>1,777,700</b>	<b>1,777,700</b>	<b>1,777,700</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	740,500	740,500	740,500	744,700	744,700	744,700
Operating Expenses	207,200	207,200	207,200	203,000	203,000	203,000
Grants, Loans, Benefits	300,000	300,000	300,000	300,000	300,000	300,000
Capital Outlay	25,000	25,000	25,000	25,000	25,000	25,000
Construction	5,567,600	5,567,600	5,567,600	505,000	505,000	505,000
<b>TOTAL EXPENDITURES</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>1,777,700</b>	<b>1,777,700</b>	<b>1,777,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	369,500	369,500	369,500	369,500	369,500	369,500
Restricted Funds	6,470,800	6,470,800	6,470,800	1,408,200	1,408,200	1,408,200
<b>Regular Total Funds</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>1,777,700</b>	<b>1,777,700</b>	<b>1,777,700</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>6,840,300</b>	<b>1,777,700</b>	<b>1,777,700</b>	<b>1,777,700</b>

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky River Authority**

**BILL AS INTRODUCED**

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Kentucky River Authority, Water Usage Fees, in the amount of \$86,400 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Water Withdrawal Fees:** The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding that portion of the provision of KRS 151.710(10) that directs the Finance and Administration Cabinet to provide administrative services for the Kentucky River Authority, Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies."

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following changes:

The House adds to the State Executive Branch Budget Bill, Part I, Operating Budget, language provision as follows:

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**Kentucky River Authority**

**"Kentucky River Authority Review of Water Supply and Water Project Plans :** The Kentucky River Authority shall review and approve water supply and water project plans of any entity created under the authority of KRS Chapter 74 with members located within the Kentucky River Basin area prior to implementation by the entity."

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill Part I, Operating Budget, by removing the language concerning "Kentucky River Authority Review of Water Supply and Water Project Plans".

**CONFERENCE REPORT**

The Conference concurs with the Bill as Introduced with the following changes:

The Conference adds to the State Executive Branch Budget Bill, Part I, Operating Budget, language provision as follows:

**"Kentucky River Authority Review of Water Supply and Water Project Plans :** The Kentucky River Authority shall review water supply and water project plans of any entity created under the authority of KRS Chapter 74 with members located within the Kentucky River Basin area prior to implementation by the entity."

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Capital Budget****Kentucky River Authority**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>						
Restricted Funds	2,325,100	2,325,100	2,325,100	500,000	500,000	500,000
<b>TOTAL CAPITAL</b>	<b>2,325,100</b>	<b>2,325,100</b>	<b>2,325,100</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>II. CAPITAL PROJECTS</b>						
<b>1</b> <b>Ky River Dam Maintenance Pool</b>						
PRJ0840175						
Restricted Funds	500,000	500,000	500,000	500,000	500,000	500,000
<b>Project Total</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>2</b> <b>Purchase property at Dam 10 &amp; Final Design at Dam 9</b>						
PRJ0840177						
Restricted Funds	727,000	727,000	727,000			
<b>Project Total</b>	<b>727,000</b>	<b>727,000</b>	<b>727,000</b>			
<b>3</b> <b>Water Release Project-Additional</b>						
PRJ0840178						
Restricted Funds	1,098,100	1,098,100	1,098,100			
<b>Project Total</b>	<b>1,098,100</b>	<b>1,098,100</b>	<b>1,098,100</b>			
<b>TOTAL CAPITAL</b>	<b>2,325,100</b>	<b>2,325,100</b>	<b>2,325,100</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**A - Government Operations****Operating Budget****Appropriations Not Otherwise Classified**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>						
General Fund	8,353,500	10,324,800	10,324,800	10,382,500	10,382,500	10,382,500
<b>Regular Total Funds</b>	<b>8,353,500</b>	<b>10,324,800</b>	<b>10,324,800</b>	<b>10,382,500</b>	<b>10,382,500</b>	<b>10,382,500</b>
Continuing						
<b>TOTAL FUNDS</b>	<b>8,353,500</b>	<b>10,324,800</b>	<b>10,324,800</b>	<b>10,382,500</b>	<b>10,382,500</b>	<b>10,382,500</b>
<b>II. EXPENDITURE CATEGORY</b>						
Personnel Costs	4,675,000	4,675,000	4,675,000	6,525,000	6,525,000	6,525,000
Operating Expenses	3,676,000	5,647,300	5,647,300	3,855,000	3,855,000	3,855,000
Grants, Loans, Benefits	2,500	2,500	2,500	2,500	2,500	2,500
<b>TOTAL EXPENDITURES</b>	<b>8,353,500</b>	<b>10,324,800</b>	<b>10,324,800</b>	<b>10,382,500</b>	<b>10,382,500</b>	<b>10,382,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>						
General Fund	8,353,500	10,324,800	10,324,800	10,382,500	10,382,500	10,382,500
<b>Regular Total Funds</b>	<b>8,353,500</b>	<b>10,324,800</b>	<b>10,324,800</b>	<b>10,382,500</b>	<b>10,382,500</b>	<b>10,382,500</b>
Continuing						
<b>TOTAL BASE LEVEL</b>	<b>8,353,500</b>	<b>10,324,800</b>	<b>10,324,800</b>	<b>10,382,500</b>	<b>10,382,500</b>	<b>10,382,500</b>
<b>VI. EXPENDITURES BY UNIT</b>						
<b>Judgments</b>						
General Fund		1,971,300	1,971,300			
<b>Attorney General Expense</b>						
General Fund	225,000	225,000	225,000	225,000	225,000	225,000
<b>Board of Claims Awards</b>						
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Guardian Ad Litem</b>						
General Fund	3,900,000	3,900,000	3,900,000	5,900,000	5,900,000	5,900,000
<b>Prior Year Claims</b>						
General Fund	21,000	21,000	21,000	400,000	400,000	400,000
<b>Unredeemed Checks Refunded</b>						
General Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Involuntary Commitments-ICF/MR</b>						
General Fund	60,000	60,000	60,000	60,000	60,000	60,000
<b>Payments to Frankfort In Lieu of Taxes</b>						
General Fund	195,000	195,000	195,000	195,000	195,000	195,000

## CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

**A - Government Operations****Operating Budget****Appropriations Not Otherwise Classified**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
<b>Frankfort Cemetery</b>						
General Fund	2,500	2,500	2,500	2,500	2,500	2,500
<b>Police Officers and Firefighters - Life Insurance</b>						
General Fund	450,000	450,000	450,000	250,000	250,000	250,000
<b>Master Commissioners - Employers Retirement</b>						
General Fund	200,000	200,000	200,000	200,000	200,000	200,000
<b>Master Commissioners - Social Security</b>						
General Fund	365,000	365,000	365,000	365,000	365,000	365,000
<b>Workers Compensation</b>						
General Fund	150,000	150,000	150,000			
<b>Medical Malpractice Insurance Reimbursements</b>						
General Fund	185,000	185,000	185,000	185,000	185,000	185,000
<b>Blanket Employee Bonds</b>						
General Fund	100,000	100,000	100,000	100,000	100,000	100,000
<b>TOTAL</b>	<b>8,353,500</b>	<b>10,324,800</b>	<b>10,324,800</b>	<b>10,382,500</b>	<b>10,382,500</b>	<b>10,382,500</b>



**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**ANOC**

**BILL AS INTRODUCED**

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Funding Sources for Miscellaneous Appropriations :** Funds required to pay the costs of items included within the Miscellaneous Appropriations category are appropriated, and any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

**"Payment of Judgments and Carry Forward of General Fund Appropriation Balance:** The above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.892 and 164.941. Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at the end of fiscal year 2004-2005 shall not lapse but shall be carried forward into fiscal year 2005-2006."

**"Repayment of Awards or Judgments:** Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under \$2,500 shall be paid from funds available for the operations of the agency."

**"Fees:** Included in the above appropriation is funding for fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not exceed \$500."

**"Reissuance of Uncashed Checks:** Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with KRS 41.370."

**"Payment of Benefits:** Funds are appropriated for payment of benefits for state and local police officers and firefighters in accordance with KRS 61.315 and 95A.070."

**Fiscal Biennium 2004-2006  
Budget Modification Report**

03/07/05 8:22 PM

**ANOC**

**"Appropriation Transfer:** The Appropriations Not Otherwise Classified - Master Commissioners Employers Retirement and the Appropriations Not Otherwise Classified - Master Commissioners Social Security programs and appropriations provided above shall be transferred to the Judicial Branch in fiscal year 2005-2006 inasmuch as no funds for this Judicial purpose were expressly provided in 2004 Ky. Acts ch. 197 for the Judicial Branch budget in fiscal year 2005-2006."

**"Workers' Compensation for County Officers :** The above appropriation in fiscal year 2004-2005 provides funding for workers' compensation for county officers."

**HOUSE REPORT**

The House concurs with the Bill as Introduced with the following change:

The House provides no funding for Judgments in each fiscal year.

The House provides General Fund support for Guardian Ad Litem totaling \$3,900,000 in 2004-2005 and \$5,900,000 in fiscal year 2005-2006.

**SENATE REPORT**

The Senate concurs with the House with the following change:

The Senate provides \$1,971,300 General Fund support for Judgments in fiscal year 2004-2005.

**CONFERENCE REPORT**

The Conference concurs with the Senate.